

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2007

Prepared by Finance Department

David O. Erb
Director of Finance

Lynn Jarog
Deputy Director of Finance

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MAYOR
Irvana K. Wilks

TRUSTEES
Timothy J. Corcoran
Paul Wm. Hoefert
Arlene A. Juracek
A. John Korn
Richard M. Lohrstorfer
Michael A. Zadel



VILLAGE MANAGER
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Village of Mount Prospect

50 South Emerson Street, Mount Prospect, Illinois 60056

June 1, 2008

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, 2007 is submitted herewith. The report consists of management's representations concerning the finances of the Village of Mount Prospect. 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, 2007, 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, 2007 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. The most significant of these projects are discussed below:

- 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. 2007 was the eleventh 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 eleven years of the program, 66.6 miles of streets have been resurfaced; an average of 6 miles per year at a cost of \$307,000 per mile. Total funds expended in 2007 were \$2,900,000 (\$1,220,000 from MFT and \$1,680,000 from Street Improvement Construction Fund).
- 2007 saw the completion of the third year of a multi year commitment to rehabilitate approximately 260,000 LF of **combined sewer mains** ranging in size from 8" to 72" diameter. As part of this year's effort, over 20,000 linear feet of combination sewer were repaired using the cured-in-place (CIPP) lining process. In addition, approximately 218 linear feet of severely failed (Category 4 & 5) sewer pipe was excavated and replaced. In total, during the first three years of this program, 52,400 linear feet of pipe has been lined and 428 linear feet of pipe has been replaced. Over 98% of all Category 5 defects (the worse) and 42% of all Category 4 defects have been repaired to date. Total funds expended during 2007 were \$1 million.

- The Community Development Department was active in a number of areas in 2007. The Village was the recipient of three (3) **Grants** totaling \$192,000 to be used for 1) assistance to first time homebuyers, 2) studying the feasibility of a Neighborhood Resource Center with an emphasis on immigrant integration and 3) proposing improvements to our local public transportation network. The **Administrative Adjudication** program has proven highly successful in dealing with housing and property maintenance violations. The volume and scope of cases expanded significantly in 2007. The **Crime Free Housing** (in conjunction with the Police Department) and **Neighborhood Inspection** programs saw their start up in 2007 with positive results.
- A final item of note for 2007 occurred on August 23rd when the community was hit by a **severe thunderstorm and high wind event** that caused over \$1,000,000 in emergency response and recovery expenditures. Winds in excess of 70 mph downed trees and power lines throughout the Village resulting in thousands of flooded basements and lost personal property. Over 2000 mature parkway trees were damaged by the storm, including nearly 300 trees that have, or will need to be, completely removed.

At the same time, Public Works personnel were monitoring the steady rise in the elevation of the Des Plaines River, at the Village's northeast border. Heavy rains upstream of Mount Prospect the previous week had prompted severe flood warnings. The August 23rd storm greatly accelerated a rise in the river and forced Village crews to construct a temporary levee wall in order to protect 200 homes immediately adjacent to the river. Thankfully, the river crested at the base of the levee and receded without causing property damage.

On September 25, 2007, a Federal Disaster Declaration was made for the State of Illinois to include the Counties of Dekalb, Kane and LaSalle for public assistance. On October 19, 2007, Cook, Knox and Warren Counties were added to the Disaster Declaration. As such, the Village was able to seek reimbursement for emergency expenditures related to the August 23rd storm event. Staff worked with the Federal and Illinois Emergency Management Agencies on various submittals for reimbursement. The Village realized \$698,325 in reimbursement monies from FEMA.

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 2008. 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, 2007 were \$8,811,400 compared to \$8,824,103 for the previous year, a decrease of 0.01%. Since the Village's portion of sales tax receipts is based on a 1% tax rate, these receipts represent total retail sales of approximately \$881 million for 2007. Based on previous slowdowns, the Village projects that this revenue source will drop 1.6% during 2008 then return again to positive growth, albeit slight (1%), in 2009. 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 2007 was 3.4%. This was an increase from the prior year of 20 basis points (3.2% in 2006). 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 (20 basis points versus 40 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 and 2007. During the 2007 workshop, a dedicated revenue source for mid-range (\$25,000 to \$500,000) capital projects was discussed. The result was a decision to increase the Home Rule sales tax by one-quarter of one percent from 0.75% to 1.0%. This new revenue will generate approximately \$1.3 million annually to support capital spending.

An expanded fund balance policy was implemented during 2007 that provided 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 for 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 (2008-2012), it is anticipated that the Village will spend approximately \$58.0 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), LaSalle 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 5.25%. The Police Pension and Fire Pension Funds are managed by their respective boards. For the fiscal year from January 1 – December 31, 2007, the rates of return for the two pension funds were 8.9% and 9.4% respectively. Typically, the two pension fund’s returns are higher than the Village because the Pension funds can invest in longer-term securities and in equities.

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 max and \$1,000,000 for worker’s 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, 2007 of funding 75.4% of the Police Pension and 76.7% of the Firefighter's Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded through June 30, 2033 as part of the annual required contribution calculated by the actuary.

The Village also provides pension benefits for its nonpublic 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, 2006. 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 24 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, 2007 and ending December 31, 2007. 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 fifteenth consecutive year the Village has received this award. The Village is awaiting word as to whether it received the Budget Award for its 2008 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 Deputy Director of Finance Lynn Jarog, Accounting Supervisor Tricia Schraeder and Accountants Judy Chen and Nancy Warnock who contributed greatly to its preparation. Additionally, I would like to acknowledge the Mayor, the Board of Trustees, 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
Director of Finance

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2007

LEGISLATIVE

Mayor

Irvana K. Wilks

Timothy J. Corcoran

Richard M. Lohrstorfer

Paul W. Hoefert

A. John Korn

Arlene A. Juracek

Michael A. Zadel

ADMINISTRATIVE

Michael E. Janonis, Village Manager

David Strahl, Assistant Village Manager

David O. Erb, Director of Finance/Treasurer

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

Nancy M. Morgan, Director of Human Resources

Michael J. Figolah, Fire Chief

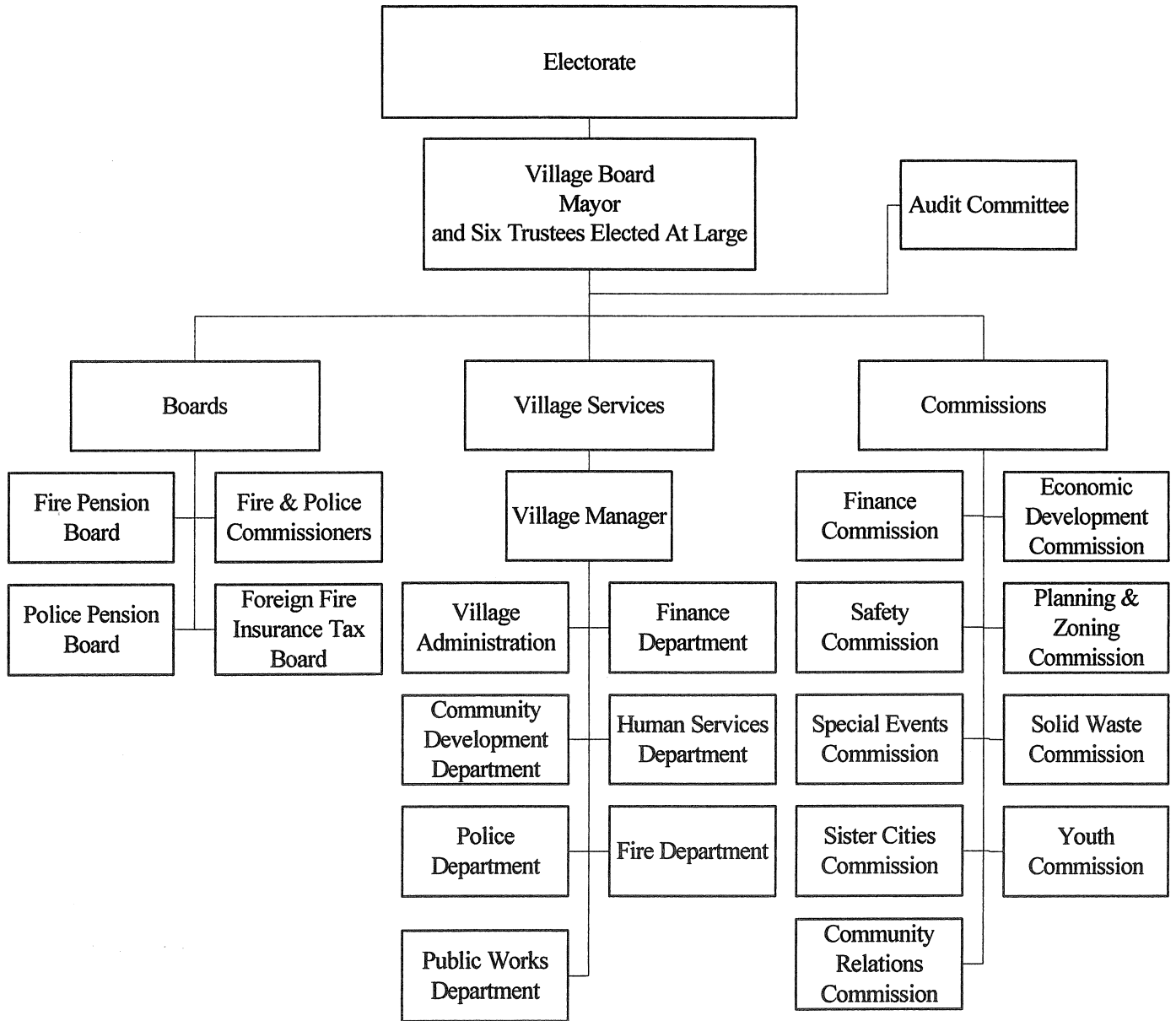
John Dahlberg, Police Chief

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, 2006

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.



Oliver S. Cox

President

Jeffrey R. Emery

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, 2007, 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, 2007, 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. 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, 2007, 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, 2007, 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 25, 2008 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 25, 2008

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

For Fiscal Year Ended December 31, 2007

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 (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.)

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

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

While the Business-type Activities column on the Proprietary Fund Financial Statements (see pages 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, 2007 were \$78.7 million. This is an increase of \$6.8 million from 2006. Net assets of the Village's governmental activities were \$52.4 million, an increase of \$5.0 million. The Village's unrestricted net assets for governmental activities, the part that can be used to finance day-to-day operations, were \$23.1 million up \$4.6 million from the 2006 unrestricted net asset total of \$18.5 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, 2007 (In millions)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 49.4	\$ 47.1	\$ 7.9	\$ 7.3	\$ 57.3	\$ 54.4
Capital assets	<u>45.5</u>	<u>46.7</u>	<u>19.4</u>	<u>18.3</u>	<u>64.9</u>	<u>65.0</u>
Total assets	\$ 94.9	\$ 93.8	\$ 27.3	\$ 25.6	\$ 122.2	\$ 119.4
Current liabilities	\$ 22.5	\$ 22.3	\$ 0.8	\$ 0.9	\$ 23.3	\$ 23.2
Noncurrent liabilities	<u>20.0</u>	<u>24.1</u>	<u>0.2</u>	<u>0.2</u>	<u>20.2</u>	<u>24.3</u>
Total liabilities	\$ 42.5	\$ 46.4	\$ 1.0	\$ 1.1	\$ 43.5	\$ 47.5
Net Assets						
Invested in capital assets, net of related debt	\$ 26.1	\$ 24.7	\$ 19.5	\$ 18.3	\$ 45.6	\$ 43.0
Restricted net assets	3.2	4.2	-	-	3.2	4.2
Unrestricted net assets	<u>23.1</u>	<u>18.5</u>	<u>6.8</u>	<u>6.2</u>	<u>29.9</u>	<u>24.7</u>
Total net assets	<u>\$ 52.4</u>	<u>\$ 47.4</u>	<u>\$ 26.3</u>	<u>\$ 24.5</u>	<u>\$ 78.7</u>	<u>\$ 71.9</u>

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 \$6.8 million increase of combined net assets was the result of the governmental activities net assets increasing \$5.0 million and the business-type activities net assets increasing by \$1.8 million. The governmental activities total assets increased by \$1.1 million and the governmental activities total liabilities decreased by \$3.9 million. The total assets increase of \$1.1 million in governmental activities was the result of an increase of \$2.3 million in current and other assets and a decrease of \$1.2 million in capital assets. The \$2.3 million increase in current assets was due to an increase in cash and investments of \$0.3 million, an increase in receivables of \$1.5 million and an increase in other assets of \$0.5 million. Several Governmental Funds experienced budget surpluses in 2007 as a result of higher than expected revenues and overall spending coming in under budget. The total assets increase of \$1.7 million in business-type activities was due to an increase in cash and receivables of \$0.6 million and an increase in capital assets of \$1.1 million.

(See independent auditor's report.)

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

The decrease in total liabilities of \$3.9 million for the governmental activities was due to a decrease in the accounts payable of \$0.3 million, an increase in deferred property taxes of \$0.5 million a decrease in liabilities related to debt service of \$4.0 million and an increase 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 \$1.1 million to \$1.0 million. This was due to a decrease in accounts payable.

Changes in Net Assets

The Village's combined change in net assets for the primary government in 2007 was an increase of \$6.8 million. Activities for the governmental saw an increase in net assets of \$5.0 million, the same as for 2006, while activities for the business-type funds saw an increase in net assets of \$1.8 million in 2007 versus an increase of \$1.0 million in 2006. The combined change in net assets in the prior year was \$6.8 million. The following chart lists the revenues and expenses for the current fiscal year. There was a prior period adjustment in 2006 due to the restatement of assets in the governmental funds.

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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, 2007 (in millions)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Revenues						
Program revenues						
Charges for service	\$ 8.3	\$ 7.3	\$ 9.1	\$ 8.7	\$ 17.4	\$ 16.0
Operating grants	0.6	0.5	-	-	0.6	0.5
Capital grants	2.8	2.1	-	-	2.8	2.1
General revenues						
Property taxes	15.8	15.2	1.5	1.5	17.3	16.7
Sales taxes	12.8	12.7	-	-	12.8	12.7
Income taxes	5.0	4.6	-	-	5.0	4.6
Telecommunication taxes	2.7	2.5	-	-	2.7	2.5
Other taxes	4.7	4.9	-	-	4.7	4.9
Investment income	0.9	0.9	0.3	0.2	1.2	1.1
Contributions	-	-	-	-	-	-
Other	0.1	0.1	-	-	0.1	0.1
Total revenue	\$ 53.7	\$ 50.8	\$ 10.9	\$ 10.4	\$ 64.6	\$ 61.2
Expenses						
General government	\$ 5.8	\$ 5.1	\$ -	\$ -	\$ 5.8	\$ 5.1
Public safety	24.6	23.3	-	-	24.6	23.3
Highways and streets	11.5	10.9	-	-	11.5	10.9
Health	4.1	3.9	-	-	4.1	3.9
Welfare	1.8	1.3	-	-	1.8	1.3
Culture and recreation	0.2	0.3	-	-	0.2	0.3
Interest	0.7	1.4	-	-	0.7	1.4
Water and sewer	-	-	8.8	9.2	8.8	9.2
Parking	-	-	0.3	0.4	0.3	0.4
Total expenses	\$ 48.7	\$ 46.2	\$ 9.1	\$ 9.6	\$ 57.8	\$ 55.8
Net increase in net assets	\$ 5.0	\$ 4.6	\$ 1.8	\$ 0.8	\$ 6.8	\$ 5.4
Prior Period Adjustment	-	0.4	-	-	-	0.4
Change in net assets	\$ 5.0	\$ 5.0	\$ 1.8	\$ 0.8	\$ 6.8	\$ 5.8

(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 3 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 2007 were \$53.7 million.

Property taxes are the largest revenue source for governmental activities accounting for \$15.8 million or an increase of \$0.6 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 \$12.8 million in revenue. This was an increase of \$0.1 million from the prior year. The relatively small increase in sales tax was due to a general cooling in the economy. The sales tax consists of a 1% state portion and .75% local home-rule portion. Revenues from charges for services increased \$1.0 million from \$7.3 million in 2006 to \$8.3 million in 2007. This was due to an increase in the direct bill to residents for ambulance service. The Income Tax increased \$0.4 million as state shared revenues continued to a rebound slightly from the economic downturn that had occurred between the end of 2000 through 2003.

The increase in capital grants was due to a one-time reimbursement of expenses from the Federal Emergency Management Agency (FEMA) that were incurred during a severe storm and flooding event in August 2007.

(See independent auditor's report.)

Expenses:

Total expenses for the Village's Governmental Activities for 2007 were \$48.7 million.

Public Safety, which includes Police and Fire, accounts for the largest portion of governmental expenses. Total Public Safety expenses in 2007 were \$24.6 million versus \$23.3 million in 2006. Accounting for the largest part of the increase from the prior year was a general wage increase 3.75%. Salaries account for 70% 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 \$11.5 million an increase of \$0.6 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 2007 were \$10.9 million.

Business-type activities in the Village consist of Water and Sewer Operations and Parking Operations. Charges for service accounts for almost the entire amount of revenue for business-type activities. Of the \$9.1 million generated in 2007, \$6.1 million is from water sales, \$1.9 million is from sewer fees, \$0.2 million is from parking operations and the balance is from various penalties, tap and meter fees. For 2006, water sales accounted for \$6.5 million and sewer fees were \$0.7 million. The Water and Sewer Fund also receives special service area taxes in the amount of \$1.5 million. This amount is unchanged from the prior year. These taxes support the delivery of Lake Michigan Water to Village residents that are connected to the Village's water system.

Expenses:

Total expenses for the Village's Business-Type Activities for 2007 were \$9.1 million.

Of the total expenses for business-type activities, \$8.8 million is attributable to Water and Sewer while \$0.3 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 \$8.9 million in expenses for 2006, \$3.6 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 increased by \$1.0 million in 2007 from \$11.8 million to \$12.8 million. In 2007, General Fund revenues exceeded the final budget by \$.7 million while expense came in \$.6 under budget. The final Village budget had anticipated a decrease in the General Fund fund balance of \$0.3 million.

General Fund Budgeting Highlights

During 2007, 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 57.

(See independent auditor's report.)

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

Table 3
General Fund Budgetary Changes
Calendar Year 2007 (in millions)

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
Revenues and Other Financing Sources			
Property Taxes	\$ 7.4	\$ 10.1	\$ 9.9
Intergovernmental	15.5	16.3	17.1
Other	<u>12.9</u>	<u>12.8</u>	<u>12.9</u>
Total Revenues	\$ 35.8	\$ 39.2	\$ 39.9
Expenditures and Transfers			
Expenses	\$ 35.4	\$ 39.5	\$ 38.9
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Transfers	\$ 35.4	\$ 39.5	\$ 38.9
 Change in Fund Balance	 <u>\$ 0.4</u>	 <u>\$ (0.3)</u>	 <u>\$ 1.0</u>

Capital Assets

At the end of 2007, the Village had a combined total of \$64.9 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 32 of the notes.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land (including right-of-way)	\$ 8.4	\$ 8.4	\$ 0.2	\$ 0.2	\$ 8.6	\$ 8.6
Buildings & Improvements	22.3	23.1	3.7	2.2	26.0	25.3
Machinery & Equipment	4.3	4.2	1.3	1.4	5.6	5.6
Infrastructure	10.5	11.0	14.2	14.5	24.7	25.5
Water & Sewer	-	-	-	-	-	-
Total Capital Assets	<u>\$ 45.5</u>	<u>\$ 46.7</u>	<u>\$ 19.4</u>	<u>\$ 18.3</u>	<u>\$ 64.9</u>	<u>\$ 65.0</u>

This amount represents a net decrease (including additions and deletions) of \$0.1 million from 2006.

(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 <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Beginning Balance	\$ 46.7	\$ 18.3	\$ 65.0
Additions			
Depreciable	1.4	1.7	3.1
Non-Depreciable	-	-	-
Retirements			
Depreciable	(0.5)	-	(0.5)
Non-Depreciable	-	-	-
Depreciation	(2.5)	(0.6)	(3.1)
Retirement	<u>0.4</u>	<u>-</u>	<u>0.4</u>
Ending Balance	<u>\$ 45.5</u>	<u>\$ 19.4</u>	<u>\$ 64.9</u>

This year's major additions to the capital assets include the following (in millions):

Governmental Activities

Vehicle Replacement - \$1.0 million

Business-type Activities

Combined Sewer Replacement - \$0.7 million

Meadows Watermain Replacement - \$0.7 million

More detailed information on capital asset activity can be found in Note 4 of the notes to the financial statements beginning on page 32.

Debt Outstanding

The Village of Mount Prospect had total long-term debt and loans payable of \$24.5 million as of December 31, 2007. Long-term debt is comprised of general obligation debt, compensated absences to employees and loans payable. For more detail see Notes to Financial Statements Note #6.

During the year, \$2.7 million of general obligation debt was retired; \$0.5 million in loans payable was retired while compensated absences increased by \$223,257. In addition, the net pension obligation decreased \$19,321. The Village did not issue any new debt during 2007.

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 has no immediate plans to issue additional bonds.

More detailed information on long-term debt activity can be found in Note 6 of the notes to the financial statements beginning on page 36.

(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 actual revenues for 2007 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 2007 were basically flat from the prior year while in 2006 sales taxes increased 8.9% from 2005. Income taxes for 2007 were up 8.1% from the prior year, but to reflect the slowing in the economy, the projected increase in income taxes for 2008 was reduced to 4.0%. This is less than half the actual growth experienced in 2007. The telecommunication tax was up 8% from the prior year. Real estate transfer tax revenues saw a significant drop in 2007 from the high-level mark in 2005. Transfer taxes in 2005 were \$1.5 million and had fallen to \$0.8 million by 2007. We expect this revenue to have bottomed out at the current level.

The Village's average unemployment rate for 2006 was 3.4%. This is below both the state unemployment rate of 5.0% and the national rate of 4.6%. The Village's unemployment rate increased by 20 basis points from the prior year.

The 2008 budget shows the total budget increasing 4.2% from the amended 2007 budget and totals \$87,466,279. Much of the increase is due to redevelopment efforts in the downtown TIF district. The 2008 budget for downtown redevelopment is \$4.9 million while the 2007 budget was \$2.5 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, Director of Finance/Treasurer, Village of Mount Prospect, 50 South Emerson, Mount Prospect, Illinois 60056.

(See independent auditor's report.)

BASIC FINANCIAL STATEMENTS

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2007

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Mount Prospect Public Library
ASSETS				
Cash and investments	\$ 26,077,641	\$ 4,446,595	\$ 30,524,236	\$ 4,544,340
Receivables, net of allowance where applicable				
Property taxes	14,558,532	1,596,518	16,155,050	8,259,000
Other taxes	2,212,042	-	2,212,042	-
Accrued interest	187,789	54,937	242,726	7,226
Utility customers	-	1,129,108	1,129,108	-
Miscellaneous	451,066	6,591	457,657	-
Prepaid expenses	180,716	546	181,262	-
Inventory	393,236	178,977	572,213	-
Due from other governments	4,158,874	-	4,158,874	701
Due to/from other funds	215,890	(215,890)	-	-
Due from fiduciary funds	40,945	-	40,945	-
Restricted assets				
Deposits - insurance	811,697	-	811,697	-
Deposits with joint venture	-	619,458	619,458	-
Deferred charges	42,827	-	42,827	125,024
Net pension asset	142,988	-	142,988	-
Capital assets not being depreciated	8,383,723	196,404	8,580,127	677,552
Capital assets being depreciated (net of accumulated depreciation)	37,136,162	19,241,268	56,377,430	16,994,739
Total assets	94,994,128	27,254,512	122,248,640	30,608,582
LIABILITIES				
Accounts payable	1,266,307	687,342	1,953,649	114,720
Accrued payroll	986,343	81,682	1,068,025	106,702
Accrued interest payable	155,444	-	155,444	65,289
Claims payable	1,225,700	-	1,225,700	-
Due to fiduciary funds	149,267	-	149,267	-
Unearned revenue	13,740,037	-	13,740,037	8,259,000
Other deferred revenue	645,157	41,545	686,702	-
Noncurrent liabilities				
Due within one year	4,294,059	8,648	4,302,707	797,823
Due in more than one year	20,086,619	164,313	20,250,932	17,093,102
Total liabilities	42,548,933	983,530	43,532,463	26,436,636
NET ASSETS				
Invested in capital assets, net of related debt	26,114,472	19,437,672	45,552,144	(522,709)
Restricted for				
Debt service	94,398	-	94,398	611,357
Highways and streets	337,147	-	337,147	-
Public safety	212,019	-	212,019	-
Capital outlay	2,535,399	-	2,535,399	-
Working cash	-	-	-	2,034,986
Unrestricted	23,151,760	6,833,310	29,985,070	2,048,312
TOTAL NET ASSETS	\$ 52,445,195	\$ 26,270,982	\$ 78,716,177	\$ 4,171,946

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,777,024	\$ 5,057,855	\$ -	\$ 60,158
Public safety	24,565,640	2,658,824	21,055	57,950
Highways and streets	11,512,271	231,468	-	2,694,728
Health	4,085,316	-	-	-
Welfare	1,759,776	274,603	573,168	-
Culture and recreation	221,806	30,864	-	-
Interest	728,640	-	-	-
Total governmental activities	48,650,473	8,253,614	594,223	2,812,836
Business-Type Activities				
Water and sewer	8,839,710	8,888,249	-	-
Parking	259,434	210,036	-	-
Total business-type activities	9,099,144	9,098,285	-	-
TOTAL PRIMARY GOVERNMENT	\$ 57,749,617	\$ 17,351,899	\$ 594,223	\$ 2,812,836
COMPONENT UNIT				
Mount Prospect Public Library	\$ 7,441,624	\$ 114,018	\$ 68,840	\$ 14,697

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mount Prospect Public Library
	\$ (659,011)	\$ -	\$ (659,011)	\$ -
	(21,827,811)	-	(21,827,811)	-
	(8,586,075)	-	(8,586,075)	-
	(4,085,316)	-	(4,085,316)	-
	(912,005)	-	(912,005)	-
	(190,942)	-	(190,942)	-
	(728,640)	-	(728,640)	-
	(36,989,800)	-	(36,989,800)	-
	-	48,539	48,539	-
	-	(49,398)	(49,398)	-
	-	(859)	(859)	-
	(36,989,800)	(859)	(36,990,659)	-
	-	-	-	(7,244,069)
General Revenues				
Taxes				
Property	15,817,195	1,504,501	17,321,696	7,058,264
Food and beverage	797,730	-	797,730	-
Real estate transfer	789,912	-	789,912	-
Utility	1,879,134	-	1,879,134	-
State use	736,091	-	736,091	-
Replacement	407,748	-	407,748	58,053
Other	121,899	-	121,899	-
Intergovernmental shared taxes, unrestricted				
Sales	12,773,695	-	12,773,695	-
Income	4,980,054	-	4,980,054	-
Telecommunications	2,741,121	-	2,741,121	-
Investment income	924,989	262,430	1,187,419	260,832
Miscellaneous	42,868	-	42,868	3,464
Contributions	-	-	-	14,949
Total	42,012,436	1,766,931	43,779,367	7,395,562
CHANGE IN NET ASSETS	5,022,636	1,766,072	6,788,708	151,493
NET ASSETS, JANUARY 1	47,422,559	24,494,063	71,916,622	4,020,453
Prior period adjustment	-	10,847	10,847	-
NET ASSETS, JANUARY 1, RESTATED	47,422,559	24,504,910	71,927,469	4,020,453
NET ASSETS, DECEMBER 31	\$ 52,445,195	\$ 26,270,982	\$ 78,716,177	\$ 4,171,946

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2007

	General	Refuse Disposal	Debt Service	Nonmajor	Total
ASSETS					
Cash and investments	\$ 7,184,546	\$ 1,853,585	\$ 370,799	\$ 5,847,716	\$ 15,256,646
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	10,978,708	2,135,016	1,367,448	77,360	14,558,532
Other taxes	1,494,634	-	358,704	358,704	2,212,042
Accrued interest	60,939	4,886	181	31,686	97,692
Other	203,676	184,584	-	52,585	440,845
Due from other funds	1,466,659	57,607	-	-	1,524,266
Due from fiduciary funds	40,945	-	-	-	40,945
Due from other governments	3,509,591	-	-	649,283	4,158,874
Inventories	3,609	30,549	-	-	34,158
Prepaid items	37,301	105,500	-	14,095	156,896
TOTAL ASSETS	\$ 24,980,608	\$ 4,371,727	\$ 2,097,132	\$ 7,031,429	\$ 38,480,896
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 517,801	\$ 173,712	\$ 3,671	\$ 502,762	\$ 1,197,946
Accrued payroll	943,651	7,733	-	1,498	952,882
Due to other funds	-	81	703,404	604,891	1,308,376
Due to fiduciary funds	149,267	-	-	-	149,267
Deferred property taxes	10,418,303	2,026,075	1,295,659	-	13,740,037
Deferred revenues	136,673	-	-	508,484	645,157
Total liabilities	12,165,695	2,207,601	2,002,734	1,617,635	17,993,665
FUND BALANCES					
Reserved for inventory	3,609	30,549	-	-	34,158
Reserved for prepaid items	37,301	105,500	-	14,095	156,896
Reserved for debt service	-	-	94,398	-	94,398
Reserved for street improvements	-	-	-	337,147	337,147
Reserved for public safety	-	-	-	212,019	212,019
Reserved for capital outlay	-	-	-	2,535,399	2,535,399
Unreserved					
Undesignated for General Fund	12,774,003	-	-	-	12,774,003
Undesignated for Special Revenue Funds	-	2,028,077	-	-	2,028,077
Undesignated for Capital Projects Funds	-	-	-	2,315,134	2,315,134
Total fund balances	12,814,913	2,164,126	94,398	5,413,794	20,487,231
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,980,608	\$ 4,371,727	\$ 2,097,132	\$ 7,031,429	\$ 38,480,896

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, 2007

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 20,487,231
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	45,519,885
Less internal service funds included below	(4,025,803)
The net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	142,988
The unamortized bond issuance cost is not a current financial resource and, therefore, is not reported in the governmental funds	42,827
Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(155,444)
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	(16,415,000)
IEPA loans payable	(4,290,413)
Installment contracts payable	(355,000)
Compensated absences payable	(2,886,479)
Less internal service funds included below	154,421
Net pension obligation	(498,231)
Unamortized bond discount	64,445
The net assets of the internal service funds are included in the governmental activities in the statement of net assets	<u>14,659,768</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 52,445,195</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, 2007

	General	Refuse Disposal	Debt Service	Nonmajor	Total
REVENUES					
Property taxes	\$ 9,896,594	\$ 1,943,499	\$ 2,422,646	\$ 3,187,001	\$ 17,449,740
Other taxes	6,369,220	-	1,320,765	-	7,689,985
Licenses, permits, and fees	3,445,370	-	-	-	3,445,370
Intergovernmental	17,075,429	-	-	2,029,191	19,104,620
Charges for services	1,631,636	2,148,817	-	-	3,780,453
Fines and forfeits	720,673	-	-	-	720,673
Investment income	479,704	73,647	64,823	306,815	924,989
Miscellaneous	319,091	160	-	238,028	557,279
Total revenues	39,937,717	4,166,123	3,808,234	5,761,035	53,673,109
EXPENDITURES					
Current					
General government	5,298,202	-	-	-	5,298,202
Public safety	24,707,040	-	-	60,952	24,767,992
Highways and streets	7,299,378	-	-	1,905,490	9,204,868
Health	119,773	3,982,774	-	-	4,102,547
Welfare	1,210,945	-	-	575,176	1,786,121
Culture and recreation	281,737	-	-	-	281,737
Capital outlay	-	-	-	2,437,381	2,437,381
Debt service					
Principal retirement	-	-	3,179,734	350,000	3,529,734
Interest and fiscal charges	-	-	1,000,092	44,031	1,044,123
Total expenditures	38,917,075	3,982,774	4,179,826	5,373,030	52,452,705
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,020,642	183,349	(371,592)	388,005	1,220,404
OTHER FINANCING SOURCES (USES)					
Transfers in	105	-	-	-	105
Transfers (out)	(12,902)	-	-	(152,309)	(165,211)
Total other financing sources (uses)	(12,797)	-	-	(152,309)	(165,106)
NET CHANGE IN FUND BALANCES	1,007,845	183,349	(371,592)	235,696	1,055,298
FUND BALANCES, JANUARY 1	11,807,068	1,980,777	465,990	5,178,098	19,431,933
FUND BALANCES, DECEMBER 31	\$ 12,814,913	\$ 2,164,126	\$ 94,398	\$ 5,413,794	\$ 20,487,231

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, 2007

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,055,298
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	379,565
The loss on disposal of capital assets is shown as an increase of expense on the statement of activities	(3,667)
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(2,508,300)
Less internal service funds included below	880,630
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	3,529,734
The accretion of capital appreciation bonds is not reported in governmental funds but is reported as an increase in interest expense on the statement of activities	(14,236)
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	336,830
Amortization of discount	(4,272)
Amortization of issuance costs	(2,839)
Increase in compensated absences	(223,257)
Less internal service funds included below	(4,182)
Increase in net pension obligation	19,321
Increase in net pension asset	46,037
The change in net assets of the internal service funds is reported with governmental activities	<u>1,535,974</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,022,636</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

December 31, 2007

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and investments	\$ 4,342,452	\$ 104,143	\$ 4,446,595	\$ 10,820,995
Receivables				
Property taxes	1,596,518	-	1,596,518	-
Accrued interest	54,937	-	54,937	90,097
Accounts - billed	550,202	-	550,202	-
Accounts - unbilled	578,906	-	578,906	-
Other	6,591	-	6,591	10,221
Inventories	178,977	-	178,977	359,078
Prepaid expenses	546	-	546	23,820
Total current assets	7,309,129	104,143	7,413,272	11,304,211
NONCURRENT ASSETS				
Deposits - insurance	-	-	-	811,697
Deposit with joint venture	619,458	-	619,458	-
Subtotal noncurrent assets	619,458	-	619,458	811,697
CAPITAL ASSETS				
Capital assets not being depreciated	7,137	189,267	196,404	-
Capital assets being depreciated, cost	47,218,160	523,053	47,741,213	11,062,017
Accumulated depreciation	(28,040,528)	(459,417)	(28,499,945)	(7,036,214)
Net capital assets	19,184,769	252,903	19,437,672	4,025,803
Total noncurrent assets	19,804,227	252,903	20,057,130	4,837,500
Total assets	27,113,356	357,046	27,470,402	16,141,711
CURRENT LIABILITIES				
Accounts payable	681,607	5,735	687,342	68,361
Accrued payroll	79,720	1,962	81,682	33,461
Claims payable	-	-	-	1,225,700
Unearned revenue	-	41,545	41,545	-
Due to other funds	58,159	157,731	215,890	-
Compensated absences payable	8,648	-	8,648	7,721
Total current liabilities	828,134	206,973	1,035,107	1,335,243
LONG-TERM LIABILITIES				
Compensated absences payable	164,313	-	164,313	146,700
Total long-term liabilities	164,313	-	164,313	146,700
Total liabilities	992,447	206,973	1,199,420	1,481,943
NET ASSETS				
Invested in capital assets	19,184,769	252,903	19,437,672	4,025,803
Unrestricted	6,936,140	(102,830)	6,833,310	10,633,965
TOTAL NET ASSETS	\$ 26,120,909	\$ 150,073	\$ 26,270,982	\$ 14,659,768

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, 2007

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services				
Billings	\$ 7,952,390	\$ -	\$ 7,952,390	\$ -
Water and sewer taps	48,880	-	48,880	-
Parking fees	-	210,036	210,036	-
Internal services	-	-	-	9,047,604
Other	891,879	-	891,879	-
Total operating revenues	8,893,149	210,036	9,103,185	9,047,604
OPERATING EXPENSES				
Administration and maintenance	8,257,787	245,648	8,503,435	2,018,743
Insurance and claims	-	-	-	5,331,388
Depreciation	581,923	13,786	595,709	880,630
Total operating expenses	8,839,710	259,434	9,099,144	8,230,761
OPERATING INCOME (LOSS)	53,439	(49,398)	4,041	816,843
NONOPERATING REVENUES (EXPENSES)				
Property taxes	1,504,501	-	1,504,501	-
Investment income	223,429	3,721	227,150	500,452
JAWA investment income	35,280	-	35,280	-
Gain (loss) on disposal of capital assets	(4,900)	-	(4,900)	53,573
Total nonoperating revenues (expenses)	1,758,310	3,721	1,762,031	554,025
NET INCOME (LOSS) BEFORE TRANSFERS	1,811,749	(45,677)	1,766,072	1,370,868
TRANSFERS				
Transfers in	-	-	-	165,106
Total transfers	-	-	-	165,106
CHANGE IN NET ASSETS	1,811,749	(45,677)	1,766,072	1,535,974
NET ASSETS, JANUARY 1	24,309,160	184,903	24,494,063	13,123,794
Prior period adjustment	-	10,847	10,847	-
NET ASSETS, JANUARY 1, RESTATED	24,309,160	195,750	24,504,910	13,123,794
NET ASSETS, DECEMBER 31	\$ 26,120,909	\$ 150,073	\$ 26,270,982	\$ 14,659,768

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2007

	Business-Type Activities			Governmental
	Water and Sewer	Nonmajor Enterprise	Total	Activities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 8,866,520	\$ 224,141	\$ 9,090,661	\$ -
Receipts from interfund services	-	-	-	8,055,187
Receipts from miscellaneous revenues	-	-	-	1,043,659
Payments to suppliers	(6,076,171)	(180,995)	(6,257,166)	(7,147,041)
Payments to employees	(2,336,611)	(65,349)	(2,401,960)	(910,471)
Net cash from operating activities	453,738	(22,203)	431,535	1,041,334
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	1,423,447	-	1,423,447	-
Interfund transactions	58,159	51,731	109,890	165,106
Net cash from noncapital financing activities	1,481,606	51,731	1,533,337	165,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sale of capital assets	-	-	-	97,991
Acquisition of capital assets	(1,706,089)	-	(1,706,089)	(1,036,335)
Net cash from capital and related financing activities	(1,706,089)	-	(1,706,089)	(938,344)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale of investments	3,095,000	-	3,095,000	6,075,000
Purchase of investments	(3,744,136)	-	(3,744,136)	(8,711,438)
Interest	188,376	3,721	192,097	386,053
Net cash from investing activities	(460,760)	3,721	(457,039)	(2,250,385)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(231,505)	33,249	(198,256)	(1,982,289)
CASH AND CASH EQUIVALENTS, JANUARY 1				
	821,072	70,894	891,966	2,185,320
CASH AND CASH EQUIVALENTS, DECEMBER 31				
	\$ 589,567	\$ 104,143	\$ 693,710	\$ 203,031

(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, 2007

	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)	\$ 53,439	\$ (49,398)	\$ 4,041	\$ 816,843
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	581,923	13,786	595,709	880,630
Changes in assets and liabilities				
Receivables	(26,629)	3,525	(23,104)	51,242
Inventories	(5,380)	-	(5,380)	(50,464)
Prepaid expenses	(546)	-	(546)	24,618
Deposits	-	-	-	(58,151)
Accounts payable	(136,915)	(803)	(137,718)	15,728
Accrued payroll and compensated absences	(12,154)	107	(12,047)	(1,386)
Unearned revenues	-	10,580	10,580	-
Claims payable	-	-	-	(637,726)
NET CASH FROM OPERATING ACTIVITIES	\$ 453,738	\$ (22,203)	\$ 431,535	\$ 1,041,334
CASH AND INVESTMENTS				
Cash and cash equivalents	\$ 589,567	\$ 104,143	\$ 693,710	\$ 203,031
Investments	3,752,885	-	3,752,885	10,617,964
TOTAL CASH AND INVESTMENTS	\$ 4,342,452	\$ 104,143	\$ 4,446,595	\$ 10,820,995

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

December 31, 2007

	Pension Trust	Agency
ASSETS		
Cash and short-term investments	\$ 11,412,506	\$ 2,033,936
Investments		
U.S. Government and agency obligations	34,066,339	-
Mutual funds - equity	37,275,651	-
Municipal bonds	2,796,873	-
Receivables		
Accrued interest	328,261	-
Due from other funds	149,267	-
Prepays	650	-
	<u>86,029,547</u>	<u>\$ 2,033,936</u>
LIABILITIES		
Accounts payable	35,281	\$ -
Deposits payable	-	1,969,550
Due to other funds	900	40,045
Other liabilities	-	3,951
Due to library	-	2,765
Due to bondholders	-	17,625
	<u>36,181</u>	<u>\$ 2,033,936</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 85,993,366</u></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, 2007

ADDITIONS	
Contributions	
Employer	\$ 2,682,501
Participants	<u>1,185,515</u>
Total contributions	<u>3,868,016</u>
Investment income	
Net appreciation in	
fair value of investments	3,732,242
Interest earned	3,330,644
Less investment expenses	<u>(146,116)</u>
Net investment income	<u>6,916,770</u>
Total additions	<u>10,784,786</u>
DEDUCTIONS	
Contractual services	819
Pension benefits and refunds	<u>5,042,133</u>
Total deductions	<u>5,042,952</u>
NET INCREASE	5,741,834
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
January 1	<u>80,251,532</u>
December 31	<u>\$ 85,993,366</u>

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

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. 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 Firefighter's 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 deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” or “earned” criteria for recognition in the current period. 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 non-negotiable 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, 2007 for debt and equity securities. Mutual funds, investment funds, and insurance separate accounts are valued at contract value as of December 31, 2007.

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 non-current 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.

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. None of the Village's net assets are restricted as a result of enabling legislation adopted by the Village. 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 held by the Village, an independent third-party or the Federal Reserve Bank of Chicago. As of December 31, 2007, the Village had \$3,840,367 of uncollateralized deposits out of a total of \$26,283,436 in deposits. This is not in compliance with the Village's investment policy.

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, 2007:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 5,361,566	\$ 5,361,566	\$ -	\$ -	\$ -
Illinois Metropolitan Investment Fund	2,403,710	2,403,710	-	-	-
TOTAL	\$ 7,765,276	\$ 7,765,276	\$ -	\$ -	\$ -

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.

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 primarily investing in external investment pools. The Village's investment policy does not address the managing of credit risk. Illinois 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 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, 2007:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Bonds	\$ 2,241,807	\$ -	\$ 476,964	\$ 1,015,482	\$ 749,361
U.S. Treasury Notes	1,788,206	707,875	510,155	570,176	-
U.S. Treasury Strips	1,502,083	-	543,048	440,145	518,890
FHLB	3,604,315	199,750	2,101,159	1,303,406	-
FHLMC	1,247,355	-	761,958	333,698	151,699
FNMA	4,987,399	339,809	978,847	1,002,938	2,665,805
FFCB	179,102	-	179,102	-	-
GNMA	525,465	-	-	115,241	410,224
US HUD Security	104,563	-	104,563	-	-
Municipal Bonds	1,393,312	100,677	682,657	290,186	319,792
Illinois Funds	4,033,492	4,033,492	-	-	-
TOTAL	\$ 21,607,099	\$ 5,381,603	\$ 6,338,453	\$ 5,071,272	\$ 4,815,771

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.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police 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 Police Pension Fund's investment policy does not address the management of credit risk. The FHLB, FHLMC, FNMA, FFCB, GNMA, US HUD Securities, Municipal Bonds, and Illinois Funds 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 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.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

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. Monies deposited in a financial institution shall not exceed 5% of the institution's capital stock, surplus, and undivided profits. At December 31, 2007, FHLB securities exceeded 5% of the Fund's total investments (8%), and FNMA securities exceeded 5% of total investments (12%). This is in compliance with the Police Pension Fund's investment policy.

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 non-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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

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

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 at the funds secured, with the collateral held by an independent third-party or the Federal Reserve Bank, and evidenced by safekeeping receipts.

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2007:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Bonds	\$ 2,141,595	\$ -	\$ 315,843	\$ 928,115	\$ 897,637
U.S. Treasury Notes	1,707,890	809,000	510,155	388,735	-
U.S. Treasury Strips	2,084,496	-	633,556	345,190	1,105,750
FHLB	3,930,020	199,750	2,126,582	1,603,688	-
FHLMC	1,434,940	-	934,535	314,907	185,498
FNMA	5,594,006	448,765	1,126,690	975,255	3,043,296
FFCB	179,102	-	179,102	-	-
GNMA	709,432	-	-	169,599	539,833
US HUD Security	104,563	-	104,563	-	-
Municipal Bonds	1,403,561	100,677	687,731	295,361	319,792
Illinois Funds	1,484,088	1,484,088	-	-	-
TOTAL	\$ 20,773,693	\$ 3,042,280	\$ 6,618,757	\$ 5,020,850	\$ 6,091,806

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.

2. DEPOSITS AND INVESTMENTS (Continued)

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

Investments (Continued)

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, FNMA, FFCB, GNMA, US HUD Securities, Municipal Bonds, and Illinois Funds 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 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 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. Monies deposited in a financial institution shall not exceed 5% of the institution's capital stock, surplus, and undivided profits. At December 31, 2007, FHLB securities exceeded 5% of the Firefighters' Pension Fund's total investments (9%), and FNMA securities exceeded 5% of total investments (13%). This is in compliance with the Firefighters' Pension Fund's investment policy.

3. RECEIVABLES

Property taxes for 2007 attach as an enforceable lien on January 1, 2007 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, 2007 and August 1, 2007 and are payable in two installments, on or about March 1, 2007 and September 1, 2007. 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 2007 levy is intended to fund the 2007 fiscal year, the levy has been recorded as a receivable and deferred 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	\$ 2,389,239
Income tax	285,715
Local use tax	64,947
Motor fuel tax	132,669
Grants	1,214,939
Court fines	71,365

TOTAL	<u>\$ 4,158,874</u>
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4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

Primary Government

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land (including rights-of-way)	\$ 8,353,547	\$ 33,843	\$ 3,667	\$ 8,383,723
Total capital assets not being depreciated	<u>8,353,547</u>	<u>33,843</u>	<u>3,667</u>	<u>8,383,723</u>
Capital assets being depreciated				
Buildings	27,429,229	-	-	27,429,229
Improvements other than buildings	1,536,100	-	-	1,536,100
Vehicles	10,299,288	1,019,248	452,640	10,865,896
Machinery and equipment	694,892	38,670	18,000	715,562
Infrastructure	46,751,269	307,051	-	47,058,320
Total capital assets being depreciated	<u>86,710,778</u>	<u>1,364,969</u>	<u>470,640</u>	<u>87,605,107</u>
Less accumulated depreciation for				
Buildings	5,518,000	681,168	-	6,199,168
Improvements other than buildings	324,359	80,010	-	404,369
Vehicles	6,434,813	867,481	408,222	6,894,072
Machinery and equipment	388,779	54,114	18,000	424,893
Infrastructure	35,720,916	825,527	-	36,546,443
Total accumulated depreciation	<u>48,386,867</u>	<u>2,508,300</u>	<u>426,222</u>	<u>50,468,945</u>
Total capital assets being depreciated, net	<u>38,323,911</u>	<u>(1,143,331)</u>	<u>44,418</u>	<u>37,136,162</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 46,677,458</u>	<u>\$ (1,109,488)</u>	<u>\$ 48,085</u>	<u>\$ 45,519,885</u>

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	\$ 445,868
Public safety	730,786
Highways and streets	1,319,732
Health and welfare	2,486
Culture and recreation	9,428

TOTAL	<u>\$ 2,508,300</u>
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	Restated Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 201,304	\$ -	\$ 4,900	\$ 196,404
Total capital assets not being depreciated	201,304	-	4,900	196,404
Capital assets being depreciated				
Buildings and improvements	4,835,047	1,637,025	-	6,472,072
Equipment	3,160,829	69,064	-	3,229,893
Infrastructure	38,039,248	-	-	38,039,248
Total capital assets being depreciated	46,035,124	1,706,089	-	47,741,213
Less accumulated depreciation for				
Buildings and improvements	2,626,536	192,632	-	2,819,168
Equipment	1,700,605	120,553	-	1,821,158
Infrastructure	23,577,095	282,524	-	23,859,619
Total accumulated depreciation	27,904,236	595,709	-	28,499,945
Total capital assets being depreciated, net	18,130,888	1,110,380	-	19,241,268
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 18,332,192</u>	<u>\$ 1,110,380</u>	<u>\$ 4,900</u>	<u>\$ 19,437,672</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	813,654	18,202	-	831,856
Books	5,751,381	384,467	162,078	5,973,770
Total capital assets being depreciated	24,108,111	402,669	162,078	24,348,702
Less accumulated depreciation for				
Buildings and improvements	1,385,880	438,577	-	1,824,457
Equipment	379,946	130,107	-	510,053
Books	4,809,472	372,059	162,078	5,019,454
Total accumulated depreciation	6,575,298	940,743	162,078	7,353,963
Total capital assets being depreciated, net	17,532,813	(538,074)	-	16,994,739
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 18,210,365	\$ (538,074)	\$ -	\$ 17,672,291

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

GOVERNMENTAL ACTIVITIES

Culture and recreation \$ 940,743

5. RISK MANAGEMENT

The Village is 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, \$20,000 per employee for medical claims, \$2,000,000 for liability claims, \$2,000,000 for errors and omissions, and \$400,000 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 \$1,225,700.

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, 2005	\$ -	\$ 1,369,865	\$ 138,696	\$ 1,508,561
Claims incurred - 2006	18,546	1,251,335	4,253	1,274,134
Claims payments - 2006	(18,546)	(842,144)	(58,579)	(919,269)
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

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, 2008. 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, 2007:

Primary Government

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
\$334,271 Capital Appreciation Bonds, Series 1987A dated June 1, 1987, due in annual installments of \$37,760 to \$121,000 plus interest at 6.80% to 7.30% through January 1, 2007. (1)	Debt Service	\$ 390,764	\$ 14,236	\$ 405,000	\$ -	\$ -
\$2,915,000 General Obligation Bonds, Series 1998A dated April 1, 1998, due in annual installments of \$45,000 to \$915,000 plus interest at 4.00% to 4.30% through December 1, 2007.	Debt Service	65,000	-	65,000	-	-
\$1,060,000 General Obligation Bonds, Series 1998C dated December 1, 1998, due in annual installments of \$95,000 to \$145,000 plus interest at 5.375% to 5.50% through December 1, 2007 (2).	Debt Service	145,000	-	145,000	-	-
\$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 (2).	Debt Service	2,425,000	-	770,000	1,655,000	1,655,000

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)						
\$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	\$ 1,595,000	\$ -	\$ 645,000	\$ 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	4,115,000	-	200,000	3,915,000	210,000
\$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	10,375,000	-	480,000	9,895,000	495,000
Total bonds		19,110,764	14,236	2,710,000	16,415,000	3,310,000
\$3,695,354 IEPA Flood Loan Contract L17-0744, due in annual installments plus interest at 3.36% through May 1, 2014.	Debt Service	1,688,102	-	201,464	1,486,638	208,290
\$558,474 IEPA Flood Loan Contract L17-0856, due in annual installments plus interest at 3.36% through July 12, 2013.	Debt Service	243,265	-	31,377	211,888	32,440
\$1,711,672 IEPA Flood Loan Contract L17-0857, due in annual installments plus interest at 3.36% through December 10, 2014.	Debt Service	837,797	-	92,925	744,872	96,074

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)						
\$1,209,842 IEPA Flood Loan Contract L17-0855, due in annual installments plus interest at 2.89% through November 1, 2017.	Debt Service	\$ 756,300	\$ -	\$ 59,321	\$ 696,979	\$ 61,048
\$1,547,950 IEPA Flood Loan Contract L17-1087, due in annual installments plus interest of 2.625% through June 3, 2019.	Debt Service	1,234,683	-	84,647	1,150,036	86,883
Total IEPA flood loan installment contracts		4,760,147	-	469,734	4,290,413	484,735
\$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	705,000	-	350,000	355,000	355,000
Total capital project installment contracts		705,000	-	350,000	355,000	355,000
Compensated absences	General	2,504,619	352,970	125,531	2,732,058	136,603
Compensated absences	Internal Service	158,603	3,748	7,930	154,421	7,721
Total compensated absences		2,663,222	356,718	133,461	2,886,479	144,324
Unamortized bond discount	Debt Service	(68,717)	-	(4,272)	(64,445)	-
Net pension obligation	Employer Contributions	517,552	-	19,321	498,231	-
Total governmental activities		27,687,968	370,954	3,678,244	24,380,678	4,294,059

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/ Refundings	Balances December 31	Current Portion at December 31
BUSINESS-TYPE ACTIVITIES						
Compensated absences	Water and Sewer	\$ 192,669	\$ -	\$ 19,708	\$ 172,961	\$ 8,648
Total business-type activities		192,669	-	19,708	172,961	8,648
TOTAL		\$ 27,880,637	\$ 370,954	\$ 3,697,952	\$ 24,553,639	\$ 4,302,707

(1) The Series 1987A Bonds are Capital Appreciation Bonds. The balance as of December 31 includes a total of \$291,304 in accreted value since the bonds were issued.

(2) These bonds are being retired with Tax Incremental Financing District revenues.

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	\$ 8,950,000	\$ -	\$ 700,000	\$ 8,250,000	\$ 730,000
\$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	10,000,000	-	55,000	9,945,000	45,000
Total bonds		18,950,000	-	755,000	18,195,000	775,000
Unamortized loss on refunding		(486,641)	-	(30,415)	(456,226)	-
Compensated absences	General	155,946	19,497	23,292	152,151	22,823
TOTAL		\$ 18,619,305	\$ 19,497	\$ 747,877	\$ 17,890,925	\$ 797,823

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
2008	\$ 3,310,000	\$ 738,884
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	\$ 16,415,000	\$ 5,441,471

Fiscal Year Ending December 31	Installment Contracts IEPA		Installment Contracts	
	Principal	Interest	Principal	Interest
2008	\$ 484,735	\$ 128,619	\$ 355,000	\$ 10,650
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	\$ 4,290,413	\$ 602,057	\$ 355,000	\$ 10,650

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

6. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity (Continued)

Component Unit

<u>Fiscal Year Ending December 31</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 775,000	\$ 766,621
2009	895,000	734,934
2010	935,000	697,178
2011	965,000	1,125,609
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>\$ 18,195,000</u>	<u>\$ 7,223,609</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, 2007.

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 (\$8,250,000 of 2002 bonds and \$9,945,000 of 2007 refunding bonds at December 31, 2007) 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 \$96,078 to HELP in 2007. For 2008, the Village estimates it will pay \$150,158.

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 2008 - 2022, the Village estimates it will pay \$1,186,651 annually.

9. INTERFUND ACTIVITY

Due From/To Other Funds

Primary Government

Receivable Fund	Payable Fund	Amount	
General	Refuse Disposal	\$ 81	
	Debt Service	703,404	
	Motor Fuel Tax	604,891	
	Water and Sewer	552	
	Village Parking System	157,731	
	Police Pension	45	
	Firefighters' Pension	855	
	Flexcomp Escrow	40,045	
		<u>1,507,604</u>	
Refuse Disposal	Water and Sewer	<u>57,607</u>	
		<u>57,607</u>	
Fiduciary			
	Police Pension	General	72,969
	Firefighters' Pension	General	76,298
		<u>149,267</u>	
TOTAL		<u>\$ 1,714,478</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:

- \$703,404 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. Repayment is expected by December 31, 2008.
- \$604,891 due to the General Fund from the Motor Fuel Tax Fund. This was due to a shortfall in the Motor Fuel Tax Fund. Repayment is expected by December 31, 2008.
- \$157,731 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. Repayment is expected by December 31, 2008.
- \$72,969 due to the Police Pension Fund from the General Fund. This is a property tax distribution for the Village's portion of its pension contribution not made before December 31, 2007. This is expected to be paid in 2008.
- \$76,298 due to the Firefighters' Pension Fund from the General Fund. This is a property tax distribution for the Village's portion of its pension contribution not made before December 31, 2007. This is expected to be paid in 2008.

Interfund Transfers during the year ended December 31, 2007 consisted of the following:

Primary Government

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 105	\$ 12,902
Local Law Enforcement Block Grant	-	105
DUI Fines	-	3,281
Capital Improvement	-	148,923
Internal Service	165,106	-
	<hr/>	<hr/>
TOTAL	\$ 165,211	\$ 165,211

9. INTERFUND ACTIVITY (Continued)

Primary Government (Continued)

The purposes of the significant Interfund Transfers are as follows:

- \$148,923 transferred from the Capital Improvement fund to the Vehicle Replacement internal service fund to reimburse costs related to the purchase of vehicles purchased from the Vehicle Replacement fund. 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 twenty-three 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.

11. JOINT VENTURES (Continued)

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

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.

In accordance with the contract, the Village made payments totaling \$1,219,369 to SWANCC in 2007. The payments have been recorded in the Municipal Waste System Fund. The Village does not have an equity interest in SWANCC at December 31, 2007.

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.

11. JOINT VENTURES (Continued)

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

Description of Joint Venture (Continued)

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 forty 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.

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 \$3,307,561 to JAWA for 2007. The Village does not have an equity interest in JAWA at December 31, 2007. The amounts on deposit with JAWA represent amounts held for security for debt service.

12. POSTEMPLOYMENT BENEFITS

The Village offers post-retirement health care benefits in accordance with Illinois Compiled Statutes and the personnel policy manual of the Village. All employees who are eligible to receive a monthly pension benefit from one of the Village's pension plans are eligible to purchase post-retirement health care benefits. Qualified dependents of eligible retirees may also continue to be covered by the Village's plan.

Retirees who choose to be covered by the Village's plan are required to pay the entire cost of a premium based on the experience of active and retired members. As of year end, 92 retirees or qualified dependents were covered by the Village's plan. Participants paid the entire cost of \$636,600 which is included in health insurance expense in the internal service fund. The Village finances the Village's plan on a pay-as-you-go basis.

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 2007 the rate was 9.45%.

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	53
Current employees	
Vested	57
Nonvested	31
	<hr/>
TOTAL	<u>141</u>

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, 2007, the Village's contribution was 19.65% of covered payroll.

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
Current employees	
Vested	43
Nonvested	28
	<hr/>
TOTAL	<u>130</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, 2007, the Village's contribution was 21.93% 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.

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for the IMRF is not available.

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, 2005	December 31, 2006	December 31, 2006
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	25 Years, Closed	27 Years, Closed	27 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 10.00%	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, 2006 (most current information available) were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,246,954	\$ 1,159,480
Interest on net pension obligation	(7,756)	41,404
Adjustment to annual required contribution	4,777	(25,500)
Annual pension cost	1,243,975	1,175,384
Contributions made	1,290,012	1,194,705
Increase (decrease) in net pension obligation (asset)	(46,037)	(19,321)
Net pension obligation (asset) beginning of year	(96,951)	517,552
NET PENSION OBLIGATION (ASSET)		
END OF YEAR	\$ (142,988)	\$ 498,231

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)	2005	\$ 1,047,777	\$ 1,075,245	\$ 1,191,688
	2006	1,273,108	1,243,975	1,175,384
	2007	1,309,539	N/A	N/A
Actual contribution	2005	\$ 1,047,777	\$ 1,097,052	\$ 1,192,522
	2006	1,273,108	1,290,012	1,194,705
	2007	1,309,539	1,334,425	1,348,076
Percentage of APC contributed	2005	100.00%	102.03%	100.07%
	2006	100.00	103.70	101.64
	2007	100.00	N/A	N/A
NPO (asset)	2005	\$ -	\$ (75,144)	\$ 518,386
	2006	-	(96,951)	517,552
	2007	-	(142,988)	498,231

14. PENSION TRUST FUNDS

a. Schedule of Net Assets as of December 31, 2007

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 6,516,708	\$ 4,895,798	\$ 11,412,506
Investments			
U.S. government and agency obligations	16,180,295	17,886,044	34,066,339
Mutual funds - equity	18,663,784	18,611,867	37,275,651
Municipal bonds	1,393,312	1,403,561	2,796,873
Receivables			
Accrued interest	158,527	169,734	328,261
Due from other funds	72,969	76,298	149,267
Prepays	-	650	650
Total assets	42,985,595	43,043,952	86,029,547

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

14. PENSION TRUST FUNDS (Continued)

a. Schedule of Net Assets as of December 31, 2007 (Continued)

	Police Pension	Firefighters' Pension	Total
LIABILITIES			
Accounts payable	\$ 22,365	\$ 12,916	\$ 35,281
Due to other funds	45	855	900
Total liabilities	<u>22,410</u>	<u>13,771</u>	<u>36,181</u>
NET ASSETS	<u>\$ 42,963,185</u>	<u>\$ 43,030,181</u>	<u>\$ 85,993,366</u>

b. Schedule of Changes in Net Assets for the year ended December 31, 2007.

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,334,425	\$ 1,348,076	\$ 2,682,501
Employee	643,372	542,143	1,185,515
Total contributions	<u>1,977,797</u>	<u>1,890,219</u>	<u>3,868,016</u>
INVESTMENT INCOME			
Net appreciation in fair value of investments	1,856,129	1,876,113	3,732,242
Interest income	1,563,932	1,766,712	3,330,644
Less investment expense	(69,740)	(76,376)	(146,116)
Net investment income	<u>3,350,321</u>	<u>3,566,449</u>	<u>6,916,770</u>
Total additions	<u>5,328,118</u>	<u>5,456,668</u>	<u>10,784,786</u>
DEDUCTIONS			
Administrative	819	-	819
Pension benefits and refunds	2,448,761	2,593,372	5,042,133
Total deductions	<u>2,449,580</u>	<u>2,593,372</u>	<u>5,042,952</u>
NET INCREASE	2,878,538	2,863,296	5,741,834
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>40,084,647</u>	<u>40,166,885</u>	<u>80,251,532</u>
December 31	<u>\$ 42,963,185</u>	<u>\$ 43,030,181</u>	<u>\$ 85,993,366</u>

15. RESTATEMENT

The Village has recorded prior period adjustment of \$6,078 and \$4,769 in the Parking System Revenue and Village Parking System Funds, respectively. This restatement is due to accumulated depreciation being overstated in as of December 31, 2006. This results in a net restatement of \$10,847 for the business-type activities on the Statement of Activities.

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, 2007

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 7,416,686	\$ 10,050,926	\$ 9,896,594
Other taxes	7,087,000	6,256,000	6,369,220
Licenses, permits, and fees	2,935,250	3,318,750	3,445,370
Intergovernmental	15,522,700	16,291,200	17,075,429
Charges for services	1,551,507	1,668,507	1,631,636
Fines and forfeits	531,000	694,000	720,673
Investment income	397,000	520,000	479,704
Miscellaneous	344,840	354,840	319,091
Total revenues	35,785,983	39,154,223	39,937,717
EXPENDITURES			
General government	5,382,803	5,480,281	5,298,202
Public safety	22,104,046	24,804,347	24,707,040
Highways and streets	6,156,847	7,417,270	7,299,378
Health	128,318	128,318	119,773
Welfare	1,246,187	1,287,502	1,210,945
Culture and recreation	352,850	352,850	281,737
Total expenditures	35,371,051	39,470,568	38,917,075
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	414,932	(316,345)	1,020,642
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	105
Transfers (out)	-	-	(12,902)
Total other financing sources (uses)	-	-	(12,797)
NET CHANGE IN FUND BALANCE	\$ 414,932	\$ (316,345)	1,007,845
FUND BALANCE, JANUARY 1			11,807,068
FUND BALANCE, DECEMBER 31			\$ 12,814,913

(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, 2007

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes - current	\$ 2,016,276	\$ 2,016,276	\$ 1,943,499
Charges for services			
Multi-family service charges	1,019,025	1,019,025	987,973
Multi-family service charges	890,000	890,000	903,523
Multi-family penalties	2,000	2,000	16,133
Multi-family penalties	25,000	25,000	7,468
Refuse stickers	275,450	275,450	232,495
Recycling bins	-	-	1,225
Investment income	72,000	72,000	73,647
Miscellaneous			
Other	1,000	1,000	160
Total revenues	4,300,751	4,300,751	4,166,123
EXPENDITURES			
Health			
Refuse disposal division			
Personal services	230,544	230,544	264,547
Employee benefits	71,446	71,446	75,898
Other employee costs	1,785	1,785	-
Contractual services	3,654,352	3,654,352	3,565,670
Utilities	590	590	386
Insurance	52,660	52,660	52,660
Commodities	18,230	18,230	23,613
Total expenditures	4,029,607	4,029,607	3,982,774
NET CHANGE IN FUND BALANCE	\$ 271,144	\$ 271,144	183,349
FUND BALANCE, JANUARY 1			1,980,777
FUND BALANCE, DECEMBER 31			\$ 2,164,126

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2007

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)
2002	\$ 26,441,272	\$ 25,125,005	105.24%	\$ (1,316,267)	\$ 10,298,359	(12.78%)
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%

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

December 31, 2007

Actuarial Valuation Date January 1	(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	\$ 31,396,220	\$ 38,213,704	82.16%	\$ 6,817,484	\$ 4,878,007	139.76%
2003	30,916,536	41,058,866	75.30%	10,142,330	5,197,828	195.13%
2004	33,520,535	43,278,648	77.45%	9,758,113	5,432,721	179.62%
2005	35,616,429	47,837,706	74.45%	12,221,277	5,648,744	216.35%
2006	37,284,535	50,333,889	74.07%	13,049,354	6,049,971	215.69%
2007	40,084,648	53,166,244	75.39%	13,081,596	6,563,329	199.31%

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

December 31, 2007

Actuarial Valuation Date January 1	(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	\$ 33,085,014	\$ 39,140,700	84.53%	\$ 6,055,686	\$ 4,434,809	136.55%
2003	33,182,657	41,445,957	80.06%	8,263,300	4,609,373	179.27%
2004	35,111,866	44,537,550	78.84%	9,425,684	4,820,164	195.55%
2005	36,729,420	46,613,979	78.79%	9,884,559	4,964,231	199.12%
2006	38,091,422	49,825,274	76.45%	11,733,852	5,095,147	230.29%
2007	40,166,884	52,357,613	76.72%	12,190,729	5,446,735	223.82%

(See independent auditor's report.)

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

December 31, 2007

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2002	\$ 452,098	\$ 452,098	100.00%
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%

(See independent auditor's report.)

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

December 31, 2007

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2002	\$ 752,529	\$ 746,579	101.10%
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	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, 2007

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2002	\$ 831,159	\$ 826,905	98.50%
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	N/A	N/A

N/A - Not available

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2007

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	\$ 15,898
Motor Fuel Tax	141,189
Asset Seizure	12,582
DEA Shared Funds	3,302
DUI Fines	3,631
Police Pension	53,447
Firefighters' Pension	38,414

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, 2007

	Original Budget	Final Budget	Actual
PROPERTY TAXES			
Property taxes - general	\$ 7,416,686	\$ 7,416,686	\$ 7,256,893
Property taxes - police pension	-	1,332,750	1,315,925
Property taxes - fire pension	-	1,301,490	1,323,776
Total property taxes	7,416,686	10,050,926	9,896,594
OTHER TAXES			
Auto rental tax	15,000	15,000	16,324
Food and beverage tax	775,000	775,000	797,730
Road and bridge taxes	77,000	77,000	78,108
Real estate transfer tax	1,331,000	800,000	789,912
Hotel/motel tax	54,000	54,000	66,740
Electronics game tax	17,000	17,000	150
Telecommunications tax	2,800,000	2,500,000	2,741,121
Gas utility tax	808,000	808,000	695,138
Electric utility tax	1,210,000	1,210,000	1,183,997
Total other taxes	7,087,000	6,256,000	6,369,220
LICENSES, PERMITS, AND FEES			
Vehicle license fees	1,385,000	1,405,000	1,396,941
Liquor licenses	126,000	126,000	140,642
Business licenses	160,000	160,000	168,704
Contractor licenses	40,000	40,000	47,145
Alarm licenses	15,500	15,500	15,700
Building permit fees	400,000	420,000	492,147
Electrical permit fees	50,000	50,000	43,065
Plumbing permit fees	55,000	55,000	39,646
Permit penalties	2,000	2,000	1,400
Reinspection fees	25,000	50,000	49,557
Vacant structure registration fees	4,000	4,000	2,000
Truck rental fees	2,000	2,000	825
Nuisance abatement fees	-	36,000	39,958
Plan examination fees	24,000	24,000	20,945
Street opening fees	2,000	2,000	1,750
Elevator inspections	22,750	22,750	20,930
Stormwater detention	-	80,000	101,840
Public improvement inspections	40,000	90,000	127,460
Fees - board of appeals	17,000	17,000	12,630
False alarm fees	20,000	20,000	13,685
Landlord/tenant fees	170,000	230,000	231,860
Cable TV franchise	375,000	467,500	476,540
Total licenses, permits, and fees	2,935,250	3,318,750	3,445,370
INTERGOVERNMENTAL			
State income tax	4,524,000	4,900,000	4,980,054
State sales tax	8,511,000	8,850,000	8,811,400
Home rule sales tax	1,360,000	1,300,000	1,320,765
State use tax	710,000	750,500	736,091
Charitable games tax	1,500	1,500	2,938
Replacement taxes	356,500	356,500	401,334
Replacement taxes - road and bridge	3,500	3,500	6,414

(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, 2007

	Original Budget	Final Budget	Actual
INTERGOVERNMENTAL (Continued)			
Grant - ILEC police training	\$ 40,000	\$ 40,000	\$ 41,514
Grant - State fire training	2,000	2,000	5,586
Grant - tobacco enforcement	5,700	5,700	5,500
Grant - body armor	6,000	6,000	5,350
Grant - FEMA disaster recovery	-	-	698,325
Grant - other	2,500	75,500	60,158
Total intergovernmental	15,522,700	16,291,200	17,075,429
CHARGES FOR SERVICES			
Water and sewer service charge	427,500	427,500	427,520
Parking service charge	36,500	36,500	36,196
Maintenance of state highways	71,161	71,161	111,537
Ambulance transport fees	783,000	900,000	830,706
Forest river rural FPD	35,200	35,200	34,510
Cable programming fees	46,145	46,145	41,506
Special detail revenue	12,000	12,000	6,394
Fire training revenue	16,000	16,000	32,295
Lease payments	124,001	124,001	110,972
Total charges for services	1,551,507	1,668,507	1,631,636
FINES AND FORFEITS			
Fines - local	260,000	330,000	306,027
Fines - local ordinances	7,000	25,000	32,265
Fines - circuit court	210,000	210,000	246,431
Fines - parental responsibility	4,000	4,000	3,750
Forfeited escrow funds	50,000	125,000	132,200
Total fines and forfeits	531,000	694,000	720,673
INVESTMENT INCOME			
Investment income	345,000	440,000	400,826
Interest - escrow funds	52,000	80,000	78,878
Total investment income	397,000	520,000	479,704
MISCELLANEOUS			
Home delivered meals	30,240	30,240	24,410
Reimburse - H/S youth officer	69,500	69,500	69,511
Shared cost - sidewalk	20,000	35,000	32,468
Shared cost - tree replacement	40,000	15,000	20,311
Reimburse - Village property	25,000	45,000	45,142
Other reimbursements	5,000	5,000	14,733
Senior center revenue	35,000	35,000	18,334
Fire and police reports	8,000	8,000	7,928
Animal release fees	1,000	1,000	1,190
Subpoena fees	3,500	3,500	5,628
Other revenue	107,600	107,600	79,436
Total miscellaneous	344,840	354,840	319,091
TOTAL REVENUES	\$ 35,785,983	\$ 39,154,223	\$ 39,937,717

(See independent auditor's report.)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2007

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Public representation division	\$ 128,280	\$ 130,480	\$ 123,983
Village manager's office	2,490,110	2,538,588	2,442,227
Television services division	178,567	179,467	164,809
Village clerk's office	200,188	209,238	196,054
Finance department	1,726,380	1,742,730	1,732,616
Community development - administration	614,745	635,245	593,980
Benefit payments	44,533	44,533	44,533
	<hr/>		
Total general government	5,382,803	5,480,281	5,298,202
<hr/>			
PUBLIC SAFETY			
Community development - code enforcement	812,491	824,582	839,085
Police department	12,216,226	13,567,976	13,318,324
Fire and emergency protection department	9,075,329	10,411,789	10,549,631
	<hr/>		
Total public safety	22,104,046	24,804,347	24,707,040
<hr/>			
HIGHWAYS AND STREETS			
Public works department	6,156,847	7,417,270	7,299,378
<hr/>			
HEALTH			
Community development - health	128,318	128,318	119,773
<hr/>			
WELFARE			
Human services department	756,007	797,322	752,836
Community development - housing	490,180	490,180	458,109
	<hr/>		
Total welfare	1,246,187	1,287,502	1,210,945
<hr/>			
CULTURE AND RECREATION			
Community and civic services	352,850	352,850	281,737
<hr/>			
TOTAL EXPENDITURES	\$ 35,371,051	\$ 39,470,568	\$ 38,917,075

(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, 2007

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Public representation division			
Mayor and board of trustees			
Personal services	\$ 25,000	\$ 25,000	\$ 25,022
Employee benefits	2,717	2,717	2,717
Other employee costs	3,000	3,000	1,472
Contractual services	75,053	77,253	74,010
Utilities	500	500	451
Commodities and supplies	5,000	5,000	3,025
Total Mayor and board of trustees	111,270	113,470	106,697
Advisory boards and commissions			
Personal services	10,466	10,466	12,214
Employee benefits	3,644	3,644	3,912
Contractual services	2,300	2,300	989
Commodities and supplies	600	600	171
Total advisory boards and commissions	17,010	17,010	17,286
Total public representation division	128,280	130,480	123,983
Village manager's office			
Administration and support			
Personal services	386,972	394,140	399,202
Employee benefits	93,726	93,726	92,753
Other employee costs	11,550	11,550	10,522
Contractual services	8,067	8,067	7,403
Utilities	5,285	5,285	3,547
Commodities and supplies	3,650	3,650	4,188
Capital expenditures	300	300	-
Total administration and support	509,550	516,718	517,615
Legal services			
Contractual services	630,750	630,750	603,035
Personnel management/training			
Personal services	162,786	162,786	173,527
Employee benefits	54,142	69,142	68,752
Other employee costs	26,550	21,550	9,883
Contractual services	41,860	47,160	41,138
Commodities and supplies	1,635	1,635	1,342
Capital expenditures	330	330	-
Total personnel management/training	287,303	302,603	294,642
Management information systems			
Personal services	297,544	300,854	288,930
Employee benefits	112,642	112,642	110,580
Other employee costs	6,000	6,000	5,505
Contractual services	468,319	470,519	444,692
Utilities	4,340	4,340	3,270
Commodities and supplies	4,000	4,000	3,609
Capital expenditures	26,290	26,290	26,167
Total management information systems	919,135	924,645	882,753

(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, 2007

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Village manager's office (Continued)			
Public information			
Personal services	\$ 51,237	\$ 51,237	\$ 53,531
Employee benefits	21,115	21,115	21,347
Other employee costs	2,300	2,300	1,693
Contractual services	66,000	85,000	64,485
Utilities	520	520	243
Commodities and supplies	2,200	3,700	2,883
Total public information	143,372	163,872	144,182
Total Village manager's office	2,490,110	2,538,588	2,442,227
Television services division			
Personal services	102,484	102,484	99,750
Employee benefits	41,133	41,133	40,527
Other employee costs	2,650	2,650	1,500
Contractual services	13,150	13,150	7,762
Utilities	1,600	2,500	2,410
Commodities and supplies	7,050	7,050	5,699
Capital expenditures	10,500	10,500	7,161
Total television services division	178,567	179,467	164,809
Village clerk's office			
Administration and support			
Personal services	113,075	117,125	117,666
Employee benefits	43,977	43,977	44,490
Other employee costs	2,625	1,775	1,562
Contractual services	33,748	39,598	25,314
Utilities	1,650	1,650	1,422
Commodities and supplies	5,113	5,113	5,600
Total Village clerk's office	200,188	209,238	196,054
Finance department			
Administration and support			
Personal services	140,664	140,664	141,145
Employee benefits	41,632	41,632	41,549
Other employee costs	10,640	10,640	8,772
Contractual services	83,301	98,301	114,700
Utilities	5,150	6,500	5,917
Commodities and supplies	13,900	13,900	13,250
Capital expenditures	6,000	6,000	3,842
Total administration and support	301,287	317,637	329,175
Accounting			
Personal services	310,539	310,539	311,603
Employee benefits	126,990	126,990	127,454
Contractual services	5,100	5,100	5,838
Commodities and supplies	2,050	2,050	2,555
Total accounting	444,679	444,679	447,450

(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, 2007

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Finance department (Continued)			
Insurance			
Personal services	\$ 52,860	\$ 52,860	\$ 53,911
Employee benefits	17,980	17,980	17,991
Insurance	450,605	450,605	450,605
Total insurance	<u>521,445</u>	<u>521,445</u>	<u>522,507</u>
Customer service			
Personal services	255,541	255,541	239,416
Employee benefits	96,031	96,031	92,657
Contractual services	49,375	49,375	44,419
Commodities and supplies	8,290	8,290	8,216
Total customer service	<u>409,237</u>	<u>409,237</u>	<u>384,708</u>
Cash management			
Personal services	37,221	37,221	37,688
Employee benefits	12,511	12,511	11,088
Total cash management	<u>49,732</u>	<u>49,732</u>	<u>48,776</u>
Total finance department	<u>1,726,380</u>	<u>1,742,730</u>	<u>1,732,616</u>
Community development - administration			
Administration and support			
Personal services	169,303	169,803	161,929
Employee benefits	64,093	64,093	62,563
Other employee costs	3,699	3,699	3,435
Contractual services	-	-	11,810
Utilities	2,962	2,962	3,705
Commodities and supplies	572	572	1,095
Total administration and support	<u>240,629</u>	<u>241,129</u>	<u>244,537</u>
Planning and zoning			
Personal services	162,545	162,545	146,249
Employee benefits	61,796	61,796	58,764
Other employee costs	6,147	6,147	4,076
Contractual services	29,427	49,427	33,672
Utilities	2,546	2,546	2,149
Commodities and supplies	3,119	3,119	2,937
Total planning and zoning	<u>265,580</u>	<u>285,580</u>	<u>247,847</u>
Economic development			
Personal services	52,426	52,426	52,984
Employee benefits	14,823	14,823	14,810
Other employee costs	2,287	2,287	990
Contractual services	39,000	39,000	32,812
Total economic development	<u>108,536</u>	<u>108,536</u>	<u>101,596</u>
Total community development - administration	<u>614,745</u>	<u>635,245</u>	<u>593,980</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, 2007

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (Continued)			
Benefit payments			
Contractual services	\$ 44,533	\$ 44,533	\$ 44,533
Total benefit payments	44,533	44,533	44,533
Total general government	5,382,803	5,480,281	5,298,202
PUBLIC SAFETY			
Community development - code enforcement			
Building inspections			
Personal services	496,361	505,134	516,041
Employee benefits	208,052	208,052	209,913
Other employee costs	12,294	12,294	9,950
Contractual services	78,829	78,829	81,960
Utilities	8,091	11,409	10,357
Commodities and supplies	8,864	8,864	10,864
Total community development - code enforcement	812,491	824,582	839,085
Police department			
Administration and support			
Personal services	900,377	927,677	963,726
Employee benefits	451,990	1,784,740	1,761,431
Other employee costs	119,000	119,000	121,653
Contractual services	73,500	73,500	77,352
Utilities	49,200	49,200	43,798
Commodities and supplies	16,873	17,873	19,408
Capital expenditures	1,400	1,400	1,416
Total administration and support	1,612,340	2,973,390	2,988,784
Patrol and traffic enforcement			
Personal services	6,386,105	6,377,805	6,224,115
Employee benefits	1,175,582	1,175,582	1,157,020
Contractual services	550,142	550,142	549,314
Commodities and supplies	73,600	75,200	78,505
Capital expenditures	29,900	29,900	29,043
Total patrol and traffic enforcement	8,215,329	8,208,629	8,037,997
Crime prevention and public services			
Personal services	269,112	269,112	219,574
Employee benefits	58,184	58,184	49,468
Other employee costs	4,000	4,000	4,690
Contractual services	2,400	2,400	5,474
Commodities and supplies	9,050	9,050	10,740
Total crime prevention and public services	342,746	342,746	289,946
Investigative and juvenile			
Personal services	1,010,102	1,010,102	987,717
Employee benefits	164,726	164,726	165,106
Contractual services	24,400	24,400	23,138
Commodities and supplies	5,450	6,850	6,901
Total investigative and juvenile	1,204,678	1,206,078	1,182,862

(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, 2007

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police department (Continued)			
Crossing guards			
Personal services	\$ 27,153	\$ 27,153	\$ 26,014
Employee benefits	2,077	2,077	1,989
Commodities and supplies	150	150	169
Total crossing guards	<u>29,380</u>	<u>29,380</u>	<u>28,172</u>
Equipment maintenance			
Contractual services	776,703	769,703	757,113
Commodities and supplies	13,600	16,600	15,916
Capital expenditures	21,450	21,450	17,534
Total equipment maintenance	<u>811,753</u>	<u>807,753</u>	<u>790,563</u>
Total police department	<u>12,216,226</u>	<u>13,567,976</u>	<u>13,318,324</u>
Fire and emergency protection department			
Administration and support			
Personal services	561,473	561,473	552,642
Employee benefits	280,295	1,581,785	1,597,883
Other employee costs	64,025	68,875	61,703
Contractual services	18,900	31,900	32,794
Commodities and supplies	8,925	8,925	11,497
Capital expenditures	10,680	10,680	9,886
Total administration and support	<u>944,298</u>	<u>2,263,638</u>	<u>2,266,405</u>
Fire department operations			
Personal services	5,709,083	5,709,083	5,862,052
Employee benefits	918,960	918,960	916,383
Other employee costs	63,950	56,950	49,950
Contractual services	151,685	151,685	155,783
Commodities and supplies	16,600	23,600	22,906
Capital expenditures	68,965	68,965	78,464
Total fire department operations	<u>6,929,243</u>	<u>6,929,243</u>	<u>7,085,538</u>
Fire training academy			
Personal services	9,000	9,000	3,920
Employee benefits	131	131	48
Commodities and supplies	4,500	12,600	21,118
Total fire training academy	<u>13,631</u>	<u>21,731</u>	<u>25,086</u>
Fire prevention			
Personal services	383,921	383,921	365,812
Employee benefits	139,065	139,065	135,618
Other employee costs	7,175	7,175	6,680
Contractual services	1,850	1,850	1,940
Commodities and supplies	13,750	11,750	11,650
Capital expenditures	800	800	706
Total fire prevention	<u>546,561</u>	<u>544,561</u>	<u>522,406</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, 2007

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire and emergency protection department (Continued)			
Communications			
Contractual services	\$ 15,500	\$ 13,754	\$ 10,870
Utilities	43,200	51,746	51,559
Commodities and supplies	300	300	359
Capital expenditures	5,500	5,500	5,871
Total communications	64,500	71,300	68,659
Equipment maintenance			
Personal services	127,182	127,182	123,076
Employee benefits	46,378	46,378	45,272
Other employee costs	1,060	1,060	1,460
Contractual services	260,784	260,784	263,089
Commodities and supplies	69,729	69,729	85,650
Capital expenditures	500	500	395
Total equipment maintenance	505,633	505,633	518,942
Emergency preparedness			
Personal services	23,420	23,420	17,790
Other employee costs	1,030	1,030	29
Contractual services	5,300	5,150	4,132
Commodities and supplies	5,965	10,335	9,100
Total emergency preparedness	35,715	39,935	31,051
Paid on call			
Personal services	22,960	22,960	19,080
Employee benefits	2,058	2,058	1,152
Other employee costs	9,700	9,700	10,289
Capital expenditures	1,030	1,030	1,023
Total paid on call	35,748	35,748	31,544
Total fire and emergency protection department	9,075,329	10,411,789	10,549,631
Total public safety	22,104,046	24,804,347	24,707,040
HIGHWAYS AND STREETS			
Public works department			
Administration and support			
Personal services	237,193	240,193	246,791
Employee benefits	135,476	135,476	136,164
Other employee costs	30,095	30,095	25,003
Contractual services	821,835	821,835	816,523
Utilities	18,990	18,990	15,678
Commodities and supplies	14,475	14,475	15,000
Capital expenditures	1,695	1,695	1,430
Total administration and support	1,259,759	1,262,759	1,256,589

(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, 2007

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street division			
Administration			
Personal services	\$ 115,290	\$ 115,290	\$ 115,846
Employee benefits	31,570	31,570	31,488
Total administration	<u>146,860</u>	<u>146,860</u>	<u>147,334</u>
Maintenance - public buildings			
Personal services	372,377	372,377	402,499
Employee benefits	125,408	125,408	129,585
Contractual services	270,320	284,320	251,752
Utilities	129,100	129,100	37,494
Commodities and supplies	82,010	82,010	83,580
Capital expenditures	3,600	3,600	1,928
Total maintenance - public buildings	<u>982,815</u>	<u>996,815</u>	<u>906,838</u>
Street maintenance			
Personal services	168,038	168,038	174,150
Employee benefits	49,172	49,172	50,193
Contractual services	41,058	41,058	44,926
Commodities and supplies	24,338	24,338	9,971
Infrastructure	125,000	124,000	105,245
Total street maintenance	<u>407,606</u>	<u>406,606</u>	<u>384,485</u>
Snow removal			
Personal services	187,894	187,894	362,665
Employee benefits	49,414	49,414	76,065
Contractual services	56,400	56,400	65,458
Commodities and supplies	9,785	9,785	9,857
Capital expenditures	15,800	15,800	-
Total snow removal	<u>319,293</u>	<u>319,293</u>	<u>514,045</u>
Storm sewer/basin maintenance			
Personal services	119,176	119,176	117,307
Employee benefits	41,364	41,364	40,514
Contractual services	11,330	11,330	8,752
Commodities and supplies	7,020	7,020	5,807
Total storm sewer/basin maintenance	<u>178,890</u>	<u>178,890</u>	<u>172,380</u>
Maintenance of state highways			
Personal services	22,861	22,861	23,909
Employee benefits	7,617	7,617	7,677
Contractual services	17,130	16,005	15,838
Commodities and supplies	22,940	24,065	26,564
Total maintenance of state highways	<u>70,548</u>	<u>70,548</u>	<u>73,988</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, 2007

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Street division (Continued)			
Traffic sign maintenance			
Personal services	\$ 75,319	\$ 75,319	\$ 79,514
Employee benefits	24,622	24,622	24,869
Commodities and supplies	19,975	19,975	18,432
Total traffic sign maintenance	<u>119,916</u>	<u>119,916</u>	<u>122,815</u>
Flood control			
Personal services	-	35,000	34,230
Employee benefits	-	5,700	5,606
Contractual services	-	82,000	81,961
Commodities and supplies	-	1,800	1,771
Total flood control	<u>-</u>	<u>124,500</u>	<u>123,568</u>
Storm event			
Personal services	-	201,000	187,252
Employee benefits	-	32,000	25,529
Contractual services	-	541,000	575,874
Commodities and supplies	-	16,000	16,017
Total storm event	<u>-</u>	<u>790,000</u>	<u>804,672</u>
Total street division	<u>2,225,928</u>	<u>3,153,428</u>	<u>3,250,125</u>
Forestry division			
Administration and support			
Personal services	163,922	163,922	164,709
Employee benefits	52,185	52,185	51,765
Total administration and support	<u>216,107</u>	<u>216,107</u>	<u>216,474</u>
Maintenance of grounds			
Personal services	245,381	245,381	239,824
Employee benefits	76,929	76,929	75,821
Contractual services	159,450	174,300	141,810
Commodities and supplies	8,380	8,380	6,891
Capital expenditures	27,395	38,395	35,195
Total maintenance of grounds	<u>517,535</u>	<u>543,385</u>	<u>499,541</u>
Forestry program			
Personal services	263,910	263,910	292,676
Employee benefits	91,483	91,483	94,805
Other employee costs	3,555	3,555	3,022
Contractual services	459,800	717,992	601,724
Commodities and supplies	11,905	11,905	9,622
Total forestry program	<u>830,653</u>	<u>1,088,845</u>	<u>1,001,849</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, 2007

	Original Budget	Final Budget	Actual
HIGHWAYS AND STREETS (Continued)			
Public works department (Continued)			
Forestry division (Continued)			
Public grounds beautification			
Personal services	\$ 23,949	\$ 23,949	\$ 24,197
Employee benefits	7,809	7,809	7,688
Contractual services	14,055	2,736	2,735
Commodities and supplies	50,185	50,185	49,644
Total public grounds beautification	95,998	84,679	84,264
Total forestry division	1,660,293	1,933,016	1,802,128
Engineering division			
Engineering services			
Personal services	532,527	542,727	546,864
Employee benefits	163,036	163,036	164,125
Other employee costs	5,390	5,390	5,483
Contractual services	57,969	57,969	47,765
Commodities and supplies	6,985	6,985	5,237
Capital expenditures	2,120	2,120	-
Total engineering services	768,027	778,227	769,474
Traffic control and street lighting			
Personal services	89,589	89,589	89,385
Employee benefits	28,891	28,891	28,699
Contractual services	4,360	24,360	17,567
Utilities	100,000	83,000	37,192
Commodities and supplies	20,000	64,000	48,219
Total traffic control and street lighting	242,840	289,840	221,062
Total engineering division	1,010,867	1,068,067	990,536
Total highways and streets	6,156,847	7,417,270	7,299,378
HEALTH			
Community development - health			
Health inspections			
Personal services	77,634	77,634	72,940
Employee benefits	28,674	28,674	27,659
Other employee costs	1,236	1,236	633
Contractual services	16,557	16,557	16,163
Utilities	1,898	1,898	1,341
Commodities and supplies	2,319	2,319	1,037
Total health inspections	128,318	128,318	119,773
WELFARE			
Human services department			
Administration and support			
Personal services	107,366	114,941	116,172
Employee benefits	39,470	39,470	40,522
Other employee costs	1,600	1,600	1,021

(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, 2007

	Original Budget	Final Budget	Actual
WELFARE (Continued)			
Human services department (Continued)			
Administration and support (Continued)			
Contractual services	\$ 12,201	\$ 12,201	\$ 11,120
Utilities	8,000	8,000	8,539
Commodities and supplies	4,140	6,640	4,860
Capital expenditures	3,500	14,000	14,046
Total administration and support	176,277	196,852	196,280
Social services			
Personal services	250,650	250,650	250,970
Employee benefits	89,227	89,227	88,214
Other employee costs	1,950	1,950	1,125
Commodities and supplies	1,000	1,000	2,279
Total social services	342,827	342,827	342,588
Nursing/health services			
Personal services	95,955	95,955	102,047
Employee benefits	34,801	34,801	35,487
Other employee costs	350	350	209
Contractual services	29,400	49,400	24,567
Commodities and supplies	31,475	32,215	20,284
Total nursing/health services	191,981	212,721	182,594
Senior center programs			
Personal services	24,215	24,215	16,603
Employee benefits	8,107	8,107	7,052
Contractual services	12,000	12,000	7,277
Commodities and supplies	600	600	442
Total senior center programs	44,922	44,922	31,374
Total human services department	756,007	797,322	752,836
Community development - housing			
Housing inspections			
Personal services	297,376	297,376	293,997
Employee benefits	120,229	120,229	119,023
Other employee costs	4,900	4,900	4,785
Contractual services	47,771	47,771	35,218
Utilities	3,058	3,058	1,141
Commodities and supplies	3,846	3,846	3,945
Capital expenditures	13,000	13,000	-
Total community development - housing	490,180	490,180	458,109
Total welfare	1,246,187	1,287,502	1,210,945

(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, 2007

	Original Budget	Final Budget	Actual
CULTURE AND RECREATION			
Community and civic services			
Community groups and miscellaneous			
Contractual services	\$ 116,100	\$ 116,100	\$ 114,736
Other expenditures	10,000	10,000	6,293
Total community groups and miscellaneous	<u>126,100</u>	<u>126,100</u>	<u>121,029</u>
4th of July and civic events			
Personal services	80,000	80,000	58,156
Employee benefits	13,680	13,680	5,523
Contractual services	29,110	29,110	21,561
Commodities and supplies	13,895	15,995	8,624
Total 4th of July and civic events	<u>136,685</u>	<u>138,785</u>	<u>93,864</u>
Holiday decorations			
Personal services	6,730	6,730	4,899
Employee benefits	2,383	2,383	2,049
Contractual services	63,665	61,565	47,895
Commodities and supplies	14,400	14,400	9,517
Total holiday decorations	<u>87,178</u>	<u>85,078</u>	<u>64,360</u>
Blood donor program			
Personal services	1,920	1,920	1,874
Employee benefits	147	147	144
Commodities and supplies	820	820	466
Total blood donor program	<u>2,887</u>	<u>2,887</u>	<u>2,484</u>
Total culture and recreation	<u>352,850</u>	<u>352,850</u>	<u>281,737</u>
TOTAL EXPENDITURES	<u>\$ 35,371,051</u>	<u>\$ 39,470,568</u>	<u>\$ 38,917,075</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

MAJOR DEBT SERVICE FUND

For the Year Ended December 31, 2007

	Final Budget	Actual
REVENUES		
Property taxes	\$ 2,448,557	\$ 2,422,646
Other taxes	1,360,000	1,320,765
Investment income	45,750	64,823
Total revenues	<u>3,854,307</u>	<u>3,808,234</u>
EXPENDITURES		
Debt service		
Principal retirement	3,179,735	3,179,734
Interest and fiscal charges	984,193	1,000,092
Total expenditures	<u>4,163,928</u>	<u>4,179,826</u>
NET CHANGE IN FUND BALANCE	<u>\$ (309,621)</u>	(371,592)
FUND BALANCE, JANUARY 1		<u>465,990</u>
FUND BALANCE, DECEMBER 31		<u>\$ 94,398</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, 2007

	Special Revenue				
	Motor Fuel Tax	Community Development Block Grant	Local Law Enforcement Block Grant	Asset Seizure	DEA Shared Funds
ASSETS					
Cash and investments	\$ 928,168	\$ 15,425	\$ -	\$ 72,440	\$ 43,225
Receivables					
Property taxes receivable	-	-	-	-	-
Other taxes	-	-	-	-	-
Accrued interest	7,757	-	-	-	-
Other	1,153	-	-	5,580	-
Due from other governments	132,669	516,614	-	-	-
Prepaid items	-	-	-	7,550	-
TOTAL ASSETS	\$ 1,069,747	\$ 532,039	\$ -	\$ 85,570	\$ 43,225
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 127,709	\$ 40,807	\$ -	\$ 8,250	\$ 5,548
Accrued payroll	-	1,498	-	-	-
Due to other funds	604,891	-	-	-	-
Deferred revenues	-	489,734	-	-	-
Total liabilities	732,600	532,039	-	8,250	5,548
FUND BALANCES					
Reserved for prepaid items	-	-	-	7,550	-
Reserved for street improvements	337,147	-	-	-	-
Reserved for public safety	-	-	-	69,770	37,677
Reserved for capital outlay	-	-	-	-	-
Unreserved for capital projects funds	-	-	-	-	-
Total fund balances	337,147	-	-	77,320	37,677
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,069,747	\$ 532,039	\$ -	\$ 85,570	\$ 43,225

Special Revenue			Capital Projects				Totals
DUI Fines	Foreign Fire Insurance	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction		
\$ 29,061	\$ 87,617	\$ 475,552	\$ 2,265,635	\$ 590,556	\$ 1,340,037	\$ 5,847,716	
-	-	-	77,360	-	-	77,360	
-	-	-	-	-	358,704	358,704	
-	-	1,516	6,488	5,031	10,894	31,686	
-	-	-	20,691	-	25,161	52,585	
-	-	-	-	-	-	649,283	
6,545	-	-	-	-	-	14,095	
<u>\$ 35,606</u>	<u>\$ 87,617</u>	<u>\$ 477,068</u>	<u>\$ 2,370,174</u>	<u>\$ 595,587</u>	<u>\$ 1,734,796</u>	<u>\$ 7,031,429</u>	
\$ 5,361	\$ 6,745	\$ 46,513	\$ 55,040	\$ 1,737.50	\$ 205,051	\$ 502,762	
-	-	-	-	-	-	1,498	
-	-	-	-	-	-	604,891	
-	-	18,750	-	-	-	508,484	
<u>5,361</u>	<u>6,745</u>	<u>65,263</u>	<u>55,040</u>	<u>1,738</u>	<u>205,051</u>	<u>1,617,635</u>	
6,545	-	-	-	-	-	14,095	
-	-	-	-	-	-	337,147	
23,700	80,872	-	-	-	-	212,019	
-	-	411,805	-	593,849	1,529,745	2,535,399	
-	-	-	2,315,134	-	-	2,315,134	
<u>30,245</u>	<u>80,872</u>	<u>411,805</u>	<u>2,315,134</u>	<u>593,849</u>	<u>1,529,745</u>	<u>5,413,794</u>	
<u>\$ 35,606</u>	<u>\$ 87,617</u>	<u>\$ 477,068</u>	<u>\$ 2,370,174</u>	<u>\$ 595,587</u>	<u>\$ 1,734,796</u>	<u>\$ 7,031,429</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, 2007

	Special Revenue				
	Motor Fuel Tax	Community Development Block Grant	Local Law Enforcement Block Grant	Asset Seizure	DEA Shared Funds
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,634,252	361,094	612	12,790	-
Investment income	59,519	2,008	-	3,343	1,486
Miscellaneous	11,563	212,074	-	-	-
Total revenues	1,705,334	575,176	612	16,133	1,486
EXPENDITURES					
Current					
Public safety	-	-	670	13,582	13,302
Highways and streets	1,905,490	-	-	-	-
Welfare	-	575,176	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,905,490	575,176	670	13,582	13,302
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(200,156)	-	(58)	2,551	(11,816)
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	(105)	-	-
Total other financing sources (uses)	-	-	(105)	-	-
NET CHANGE IN FUND BALANCES	(200,156)	-	(163)	2,551	(11,816)
FUND BALANCES, JANUARY 1	537,303	-	163	74,769	49,493
FUND BALANCES, DECEMBER 31	\$ 337,147	\$ -	\$ -	\$ 77,320	\$ 37,677

Special Revenue			Capital Projects				
DUI Fines	Foreign Fire Insurance	Capital Improvement	Downtown Redevelopment Construction	Flood Control Construction	Street Improvement Construction	Totals	
\$ -	\$ 35,747	\$ -	\$ 1,476,348	\$ -	\$ 1,674,906	\$ 3,187,001	
20,443	-	-	-	-	-	2,029,191	
940	2,359	37,853	88,079	32,431	78,797	306,815	
-	-	14,391	-	-	-	238,028	
21,383	38,106	52,244	1,564,427	32,431	1,753,703	5,761,035	
23,631	9,767	-	-	-	-	60,952	
-	-	-	-	-	-	1,905,490	
-	-	-	-	-	-	575,176	
-	-	417,204	302,332	64,979	1,652,866	2,437,381	
-	-	-	350,000	-	-	350,000	
-	-	-	44,031	-	-	44,031	
23,631	9,767	417,204	696,363	64,979	1,652,866	5,373,030	
(2,248)	28,339	(364,960)	868,064	(32,548)	100,837	388,005	
(3,281)	-	(148,923)	-	-	-	(152,309)	
(3,281)	-	(148,923)	-	-	-	(152,309)	
(5,529)	28,339	(513,883)	868,064	(32,548)	100,837	235,696	
35,774	52,533	925,688	1,447,070	626,397	1,428,908	5,178,098	
\$ 30,245	\$ 80,872	\$ 411,805	\$ 2,315,134	\$ 593,849	\$ 1,529,745	\$ 5,413,794	

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, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental		
Motor fuel tax allotments	\$ 1,664,000	\$ 1,634,252
Investment income	60,250	59,519
Miscellaneous		
Project reimbursements	6,500	11,563
	1,730,750	1,705,334
EXPENDITURES		
Highways and streets		
Street division	1,764,301	1,905,490
NET CHANGE IN FUND BALANCE	<u><u>\$ (33,551)</u></u>	(200,156)
FUND BALANCE, JANUARY 1		<u>537,303</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ 337,147</u></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, 2007

	Final Budget	Actual
HIGHWAYS AND STREETS		
Public works department		
Street division		
Street maintenance		
Contractual services	\$ 96,535	\$ 95,940
Snow removal		
Commodities and supplies	126,635	353,526
Traffic control/street lighting		
Contractual services	84,340	45,964
Utilities	149,000	154,827
Infrastructure	50,000	20,713
Street improvement projects		
Contractual services	3,100	-
Infrastructure	1,254,691	1,234,520
TOTAL EXPENDITURES	\$ 1,764,301	\$ 1,905,490

(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, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental		
Grant - CDBG	\$ 100,000	\$ 361,094
Investment income	-	2,008
Miscellaneous		
Project income	120,000	212,074
	<u>220,000</u>	<u>575,176</u>
Total revenues		
EXPENDITURES		
Welfare		
Administration	83,309	86,466
Community programs	144,000	78,487
Neighborhood improvements	335,000	310,000
Residential rehabilitation	190,000	100,223
	<u>752,309</u>	<u>575,176</u>
Total expenditures		
NET CHANGE IN FUND BALANCE	<u>\$ (532,309)</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, 2007

	Final Budget	Actual
WELFARE		
Community development - administration		
Administration and support		
Personal services	\$ 52,004	\$ 56,579
Employee benefits	25,697	26,421
Other employee costs	1,020	943
Contractual services	3,639	2,523
Commodities and supplies	949	-
	83,309	86,466
Community programs		
Contractual services	144,000	78,487
	144,000	78,487
Neighborhood improvements		
Capital expenditures	335,000	310,000
	335,000	310,000
Residential rehabilitation		
Other expenditures	190,000	100,223
	190,000	100,223
Total residential rehabilitation	190,000	100,223
TOTAL EXPENDITURES	\$ 752,309	\$ 575,176

(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, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental Grant - LLEBG	\$ 1,000	\$ 612
EXPENDITURES		
Public safety Patrol and traffic enforcement Capital expenditures	1,000	670
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(58)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(105)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	(163)
FUND BALANCE, JANUARY 1		<u>163</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, 2007

	<u>Final Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental		
Seized assets	\$ 15,000	\$ 12,790
Investment income	1,600	3,343
Total revenues	16,600	16,133
EXPENDITURES		
Public safety		
Capital expenditures	1,000	13,582
NET CHANGE IN FUND BALANCE	<u>\$ 15,600</u>	2,551
FUND BALANCE, JANUARY 1		<u>74,769</u>
FUND BALANCE, DECEMBER 31		<u>\$ 77,320</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, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental		
DEA shared funds	\$ 1,000	\$ -
Investment income	1,500	1,486
	<u>2,500</u>	<u>1,486</u>
Total revenues		
EXPENDITURES		
Public safety		
Capital expenditures	10,000	13,302
	<u>10,000</u>	<u>13,302</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,500)</u>	(11,816)
FUND BALANCE, JANUARY 1		<u>49,493</u>
FUND BALANCE, DECEMBER 31		<u>\$ 37,677</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, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental		
DUI fines	\$ 20,000	\$ 20,443
Investment income	350	940
	<hr/>	
Total revenues	20,350	21,383
EXPENDITURES		
Public safety		
Patrol and traffic enforcement		
Contractual services	-	3,467
Capital expenditures	20,000	20,164
	<hr/>	
Total expenditures	20,000	23,631
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		
	350	(2,248)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(3,281)
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 350</u>	(5,529)
FUND BALANCE, JANUARY 1		<u>35,774</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ 30,245</u></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, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Foreign fire insurance tax	\$ 46,500	\$ 35,747
Investment income	5,000	2,359
	<u>51,500</u>	<u>38,106</u>
EXPENDITURES		
Public safety		
Other employee costs	473	473
Contractual services	2,500	440
Equipment	10,000	8,854
	<u>12,973</u>	<u>9,767</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 38,527</u></u>	28,339
FUND BALANCE, JANUARY 1		<u>52,533</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ 80,872</u></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, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental		
Grants	\$ 239,800	\$ -
Investment income	40,000	37,853
Miscellaneous		
Donations	14,500	14,391
	<u>294,300</u>	<u>52,244</u>
Total revenues		
EXPENDITURES		
Capital outlay		
Village facilities	202,855	171,237
Equipment	742,138	188,477
Public improvements	50,000	-
Infrastructure	140,000	57,490
	<u>1,134,993</u>	<u>417,204</u>
Total expenditures		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(840,693)</u>	<u>(364,960)</u>
OTHER FINANCING SOURCES (USES)		
Transfer (out)	-	(148,923)
	<u>-</u>	<u>(148,923)</u>
Total other financing sources (uses)		
NET CHANGE IN FUND BALANCE	<u>\$ (840,693)</u>	(513,883)
FUND BALANCE, JANUARY 1		<u>925,688</u>
FUND BALANCE, DECEMBER 31		<u>\$ 411,805</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, 2007

	Final Budget	Actual
CAPITAL OUTLAY		
Village facilities		
Other public buildings	\$ 147,855	\$ 129,151
Other building improvements	10,000	-
Space needs study	45,000	42,086
Total village facilities	<u>202,855</u>	<u>171,237</u>
Equipment		
Other equipment	<u>742,138</u>	<u>188,477</u>
Total equipment	<u>742,138</u>	<u>188,477</u>
Public improvements		
Corridor improvements	<u>50,000</u>	<u>-</u>
Infrastructure		
Traffic improvements study	55,000	57,490
Residential street lights	10,000	-
Wolf Road - engineering	75,000	-
Total infrastructure	<u>140,000</u>	<u>57,490</u>
TOTAL EXPENDITURES	<u><u>\$ 1,134,993</u></u>	<u><u>\$ 417,204</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, 2007

	Final Budget	Actual
REVENUES		
Other taxes		
Tax increment	\$ 1,167,552	\$ 1,476,348
Investment income	87,500	88,079
	<hr/>	
Total revenues	1,255,052	1,564,427
<hr/>		
EXPENDITURES		
Capital outlay		
Public improvements		
Contractual services	215,900	107,190
Public improvements	1,623,000	154,617
Infrastructure	583,987	40,525
Debt service		
Principal retirement	350,000	350,000
Interest and fiscal charges	44,050	44,031
	<hr/>	
Total expenditures	2,816,937	696,363
<hr/>		
NET CHANGE IN FUND BALANCE	\$ (1,561,885)	868,064
<hr/>		
FUND BALANCE, JANUARY 1		1,447,070
		<hr/>
FUND BALANCE, DECEMBER 31		\$ 2,315,134
		<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, 2007

	Final Budget	Actual
CAPITAL OUTLAY		
Public improvements		
Contractual services		
Audit services	\$ 900	\$ 900
Legal costs	25,000	45,931
Relocation	-	-
Other professional services	40,000	60,359
Incentive	150,000	-
Total contractual services	<u>215,900</u>	<u>107,190</u>
Public improvements		
Property acquisition	1,000,000	-
Demolition	125,000	-
Site clean-up	250,000	-
infrastructure	-	-
NWE sales tax rebate	168,000	137,227
Interior buildout	40,000	10,000
Facade program	40,000	7,390
Total public improvements	<u>1,623,000</u>	<u>154,617</u>
Infrastructure		
Downtown streetscape program	573,987	30,530
Brick sidewalk	10,000	9,995
Total infrastructure	<u>583,987</u>	<u>40,525</u>
DEBT SERVICE		
Principal retirement	350,000	350,000
Interest and fiscal charges	44,050	44,031
Total debt service	<u>394,050</u>	<u>394,031</u>
TOTAL EXPENDITURES	<u>\$ 2,816,937</u>	<u>\$ 696,363</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, 2007

	Final Budget	Actual
REVENUES		
Investment income	\$ 32,000	\$ 32,431
EXPENDITURES		
Capital outlay		
Public improvements		
Infrastructure	205,000	40,594
Other	39,000	24,385
Total expenditures	244,000	64,979
NET CHANGE IN FUND BALANCE	<u>\$ (212,000)</u>	(32,548)
FUND BALANCE, JANUARY 1		<u>626,397</u>
FUND BALANCE, DECEMBER 31		<u>\$ 593,849</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, 2007

	Final Budget	Actual
CAPITAL OUTLAY		
Public improvements		
Infrastructure		
Creek bank stabilization	\$ 25,000	\$ 16,592
Creek tree trimming	30,000	23,764
Prospect meadows flood improvements	-	238
Levee 37	150,000	-
Total infrastructure	205,000	40,594
Other		
Sand bagger	34,000	23,385
Residential reimbursements	5,000	1,000
Total other	39,000	24,385
TOTAL EXPENDITURES	\$ 244,000	\$ 64,979

(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, 2007

	Final Budget	Actual
REVENUES		
Other taxes		
Home rule sales tax	\$ 1,360,000	\$ 1,320,765
Municipal motor fuel tax	328,700	354,141
Investment income	80,400	78,797
	<hr/>	
Total revenues	1,769,100	1,753,703
EXPENDITURES		
Capital outlay		
Infrastructure		
Street reconstruction	2,258,907	1,652,866
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ (489,807)</u>	100,837
FUND BALANCE, JANUARY 1		<u>1,428,908</u>
FUND BALANCE, DECEMBER 31		<u>\$ 1,529,745</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, 2007

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE		
Administration and support		
Personal services	\$ 424,515	\$ 384,925
Employee benefits	178,594	173,752
Other employee costs	33,625	19,940
Contractual services	602,148	569,788
Utilities	74,645	47,707
Insurance	135,664	135,664
Commodities and supplies	11,020	10,126
Capital expenditures	8,180	6,693
Total administration and support	<u>1,468,391</u>	<u>1,348,595</u>
Maintenance of buildings		
Personal services	122,602	124,069
Employee benefits	45,655	45,734
Contractual services	8,425	5,988
Utilities	15,880	5,431
Commodities and supplies	1,060	549
Total maintenance of buildings	<u>193,622</u>	<u>181,771</u>
Maintenance of grounds		
Personal services	67,693	51,314
Employee benefits	14,774	12,484
Contractual services	14,950	15,481
Commodities and supplies	4,990	4,192
Total maintenance of grounds	<u>102,407</u>	<u>83,471</u>
Water supply maintenance and repair		
Personal services	310,224	310,237
Employee benefits	118,492	117,795
Contractual services	149,297	150,079
Utilities	112,350	68,876
Commodities and supplies	16,375	11,155
Capital expenditures	240,786	7,210
Total water supply maintenance and repair	<u>947,524</u>	<u>665,352</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, 2007

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE (Continued)		
Water distribution maintenance and repair		
Personal services	\$ 308,340	\$ 302,441
Employee benefits	87,327	86,186
Contractual services	238,465	132,084
Commodities and supplies	89,850	66,620
Capital expenditures	748,270	8,795
Total water distribution maintenance and repair	<u>1,472,252</u>	<u>596,126</u>
Water valve and hydrant maintenance		
Personal services	202,153	201,879
Employee benefits	71,609	71,252
Contractual services	4,200	4,898
Commodities and supplies	71,335	58,330
Total water valve and hydrant maintenance	<u>349,297</u>	<u>336,359</u>
Water meter installation, repair, and replacement		
Personal services	167,387	138,254
Employee benefits	53,334	48,410
Contractual services	78,185	59,706
Commodities and supplies	4,665	5,267
Capital expenditures	52,250	60,346
Total water meter installation, repair, and replacement	<u>355,821</u>	<u>311,983</u>
Equipment maintenance		
Contractual services	<u>606,091</u>	<u>606,091</u>
Sanitary sewer maintenance and repair		
Personal services	180,423	173,073
Employee benefits	64,171	62,712
Contractual services	258,277	218,678
Commodities and supplies	21,990	24,863
Total sanitary sewer maintenance and repair	<u>524,861</u>	<u>479,326</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, 2007

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE (Continued)		
Water system improvements		
Contractual services	\$ 330,000	\$ 304,708
Capital expenditures	1,893,348	1,742,533
Less capital expenditures capitalized	(1,706,089)	(1,706,089)
Total water system improvements	<u>517,259</u>	<u>341,152</u>
Lake Michigan water acquisition		
Contractual services	<u>3,448,305</u>	<u>3,307,561</u>
Total Lake Michigan water acquisition	<u>3,448,305</u>	<u>3,307,561</u>
Total administration and maintenance	9,985,830	8,257,787
Depreciation	<u>-</u>	<u>581,923</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 9,985,830</u></u>	<u><u>\$ 8,839,710</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, 2007

	Parking System Revenue	Village Parking System	Total
CURRENT ASSETS			
Cash and investments	\$ -	\$ 104,143	\$ 104,143
Total current assets	-	104,143	104,143
CAPITAL ASSETS			
Capital assets not being depreciated	-	189,267	189,267
Capital assets being depreciated, cost	195,012	328,041	523,053
Accumulated depreciation	(175,841)	(283,576)	(459,417)
Net capital assets	19,171	233,732	252,903
Total assets	19,171	337,875	357,046
CURRENT LIABILITIES			
Accounts payable	5,110	625	5,735
Accrued payroll	1,265	697	1,962
Unearned revenue	19,278	22,267	41,545
Due to other funds	157,731	-	157,731
Total current liabilities	183,384	23,589	206,973
NET ASSETS			
Invested in capital assets	19,171	233,732	252,903
Unrestricted	(183,384)	80,554	(102,830)
TOTAL NET ASSETS	\$ (164,213)	\$ 314,286	\$ 150,073

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, 2007

	Parking System Revenue		Village Parking System		Total	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Total Actual
	OPERATING REVENUES					
Charges for services						
Parking fees						
Rental fees	\$ -	\$ -	\$ 7,638	\$ 8,821	\$ 7,638	\$ 8,821
Parking fees - Lot A	55,000	56,338	-	-	55,000	56,338
Parking fees - Lot C	55,000	45,462	-	-	55,000	45,462
Parking fees - Lot D	-	-	84,000	91,607	84,000	91,607
Parking permits	-	-	500	-	500	-
Space rent - Wille Street lot	-	-	4,000	7,808	4,000	7,808
Total operating revenues	110,000	101,800	96,138	108,236	206,138	210,036
OPERATING EXPENSES						
Administration, maintenance, and improvements	156,448	160,817	123,154	84,831	279,602	245,648
Depreciation	-	6,983	-	6,803	-	13,786
Total operating expenses	156,448	167,800	123,154	91,634	279,602	259,434
OPERATING INCOME (LOSS)	(46,448)	(66,000)	(27,016)	16,602	(73,464)	(49,398)
NONOPERATING REVENUES (EXPENSES)						
Investment income	1,100	-	600	3,721	1,700	3,721
Total nonoperating revenues (expenses)	1,100	-	600	3,721	1,700	3,721
CHANGE IN NET ASSETS	\$ (45,348)	(66,000)	\$ (26,416)	20,323	\$ (71,764)	(45,677)
NET ASSETS, JANUARY 1		(104,291)		289,194		184,903
Prior period adjustment		6,078		4,769		10,847
NET ASSETS, JANUARY 1, RESTATED		(98,213)		293,963		195,750
NET ASSETS, DECEMBER 31		\$ (164,213)		\$ 314,286		\$ 150,073

See accompanying notes to financial statements.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2007

	Parking System Revenue	Village Parking System	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 106,561	\$ 117,580	\$ 224,141
Payments to suppliers	(119,579)	(61,416)	(180,995)
Payments to employees	(42,128)	(23,221)	(65,349)
Net cash from operating activities	(55,146)	32,943	(22,203)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund transactions	51,731	-	51,731
Net cash from noncapital financing activities	51,731	-	51,731
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	-	3,721	3,721
Net cash from investing activities	-	3,721	3,721
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,415)	36,664	33,249
CASH AND CASH EQUIVALENTS, JANUARY 1	3,415	67,479	70,894
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 104,143	\$ 104,143

(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, 2007

	Parking System Revenue	Village Parking System	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (66,000)	\$ 16,602	\$ (49,398)
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	-	3,525	3,525
Accounts payable	(1,015)	212	(803)
Accrued payroll and compensated absences	125	(18)	107
Deferred revenues	4,761	5,819	10,580
NET CASH FROM OPERATING ACTIVITIES	\$ (55,146)	\$ 32,943	\$ (22,203)
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ -	\$ 104,143	\$ 104,143
TOTAL CASH AND INVESTMENTS	\$ -	\$ 104,143	\$ 104,143

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, 2007

	Parking System Revenue		Village Parking System		Total Final Budget	Total Actual
	Final Budget	Actual	Final Budget	Actual		
ADMINISTRATION, MAINTENANCE, AND IMPROVEMENTS						
Personal services	\$ 19,050	\$ 30,261	\$ 28,575	\$ 11,024	\$ 47,625	\$ 41,285
Employee benefits	10,138	11,992	15,206	12,179	25,344	24,171
Contractual services	110,157	102,799	70,605	59,725	180,762	162,524
Utilities	5,544	7,996	-	-	5,544	7,996
Insurance	1,269	1,269	1,903	1,903	3,172	3,172
Commodities and supplies	10,290	6,500	500	-	10,790	6,500
Capital expenditures	-	-	6,365	-	6,365	-
Total administration, maintenance, and improvements	156,448	160,817	123,154	84,831	279,602	245,648
Depreciation	-	6,983	-	6,803	-	13,786
TOTAL OPERATING EXPENSES	\$ 156,448	\$ 167,800	\$ 123,154	\$ 91,634	\$ 279,602	\$ 259,434

(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, 2007

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CURRENT ASSETS					
Cash and investments	\$ 719,214	\$ 2,954,741	\$ 6,580,083	\$ 566,957	\$ 10,820,995
Receivables					
Accrued interest	2,181	15,833	67,985	4,098	90,097
Other	-	-	299	9,922	10,221
Inventories	-	-	-	359,078	359,078
Prepaid expenses	-	23,820	-	-	23,820
Total current assets	721,395	2,994,394	6,648,367	940,055	11,304,211
NONCURRENT ASSETS					
Deposits - insurance	-	811,697	-	-	811,697
CAPITAL ASSETS					
Capital assets being depreciated, cost	-	-	10,865,897	196,120	11,062,017
Accumulated depreciation	-	-	(6,894,073)	(142,141)	(7,036,214)
Net capital assets	-	-	3,971,824	53,979	4,025,803
Total assets	721,395	3,806,091	10,620,191	994,034	16,141,711
CURRENT LIABILITIES					
Accounts payable	11,319	13,168	6,297	37,577	68,361
Accrued payroll	-	-	-	33,461	33,461
Claims payable	-	1,225,700	-	-	1,225,700
Compensated absences payable	-	-	-	7,721	7,721
Total current liabilities	11,319	1,238,868	6,297	78,759	1,335,243
LONG-TERM LIABILITIES					
Compensated absences payable	-	-	-	146,700	146,700
Total long-term liabilities	-	-	-	146,700	146,700
Total liabilities	11,319	1,238,868	6,297	225,459	1,481,943
NET ASSETS					
Invested in capital assets	-	-	3,971,824	53,979	4,025,803
Unrestricted	710,076	2,567,223	6,642,070	714,596	10,633,965
TOTAL NET ASSETS	\$ 710,076	\$ 2,567,223	\$ 10,613,894	\$ 768,575	\$ 14,659,768

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, 2007

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
OPERATING REVENUES					
Charges for services					
General Fund	\$ 144,199	\$ 4,364,546	\$ 689,081	\$ 1,093,524	\$ 6,291,350
Refuse Disposal Fund	454	84,670	-	-	85,124
Community Development					
Block Grant Fund	-	12,293	-	-	12,293
Water and Sewer Fund	15,078	470,355	152,064	454,027	1,091,524
Parking Fund	-	20,350	8,481	8,402	37,233
Vehicle Maintenance Fund	1,816	119,998	-	-	121,814
Library	-	415,849	-	-	415,849
Contributions					
Employee	-	299,898	-	-	299,898
Retiree	-	636,600	-	-	636,600
Flexcomp	-	5,350	-	-	5,350
Miscellaneous					
Reimbursements	-	50,168	-	-	50,168
Other	-	-	299	102	401
Total operating revenues	161,547	6,480,077	849,925	1,556,055	9,047,604
OPERATING EXPENSES					
Administration and maintenance	189,064	411,265	-	1,418,414	2,018,743
Insurance and claims	-	5,331,388	-	-	5,331,388
Depreciation	-	-	867,481	13,149	880,630
Total operating expenses	189,064	5,742,653	867,481	1,431,563	8,230,761
OPERATING INCOME (LOSS)	(27,517)	737,424	(17,556)	124,492	816,843
NONOPERATING REVENUES (EXPENSES)					
Investment income	35,908	113,274	327,562	23,708	500,452
Gain on disposal of capital assets	-	-	53,573	-	53,573
Total nonoperating revenues (expenses)	35,908	113,274	381,135	23,708	554,025
NET INCOME BEFORE TRANSFERS	8,391	850,698	363,579	148,200	1,370,868
TRANSFER IN	-	-	165,106	-	165,106
CHANGE IN NET ASSETS	8,391	850,698	528,685	148,200	1,535,974
NET ASSETS, JANUARY 1	701,685	1,716,525	10,085,209	620,375	13,123,794
NET ASSETS, DECEMBER 31	\$ 710,076	\$ 2,567,223	\$ 10,613,894	\$ 768,575	\$ 14,659,768

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, 2007

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$ 161,547	\$ 5,488,061	\$ 849,626	\$ 1,555,953	\$ 8,055,187
Receipts from miscellaneous revenues	-	1,043,488	-	171	1,043,659
Payments to suppliers	(177,936)	(6,430,768)	-	(538,337)	(7,147,041)
Payments to employees	-	-	-	(910,471)	(910,471)
Net cash from operating activities	(16,389)	100,781	849,626	107,316	1,041,334
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer in	-	-	165,106	-	165,106
Net cash from noncapital financing activities	-	-	165,106	-	165,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Sale of capital assets	-	-	97,991	-	97,991
Acquisition of capital assets	-	-	(1,036,335)	-	(1,036,335)
Net cash from capital and related financing activities	-	-	(938,344)	-	(938,344)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of investments	450,000	2,150,000	3,200,000	275,000	6,075,000
Purchase of investments	(400,000)	(2,658,357)	(5,249,947)	(403,134)	(8,711,438)
Interest	29,756	96,763	242,597	16,937	386,053
Net cash from investing activities	79,756	(411,594)	(1,807,350)	(111,197)	(2,250,385)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	63,367	(310,813)	(1,730,962)	(3,881)	(1,982,289)
CASH AND CASH EQUIVALENTS, JANUARY 1	82,526	145,009	1,905,628	52,157	2,185,320
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 145,893	\$ (165,804)	\$ 174,666	\$ 48,276	\$ 203,031

(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, 2007

	Computer Replacement	Risk Management	Vehicle Replacement	Vehicle Maintenance	Totals
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH FLOWS FROM					
OPERATING ACTIVITIES					
Operating income (loss)	\$ (27,517)	\$ 737,424	\$ (17,556)	\$ 124,492	\$ 816,843
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	-	-	867,481	13,149	880,630
Changes in assets and liabilities					
Receivables	-	51,472	(299)	69	51,242
Inventories	-	-	-	(50,464)	(50,464)
Prepaid expenses	-	24,618	-	-	24,618
Deposits - insurance	-	(58,151)	-	-	(58,151)
Accounts payable	11,128	(16,856)	-	21,456	15,728
Accrued payroll and compensated absences	-	-	-	(1,386)	(1,386)
Claims payable	-	(637,726)	-	-	(637,726)
NET CASH FROM OPERATING ACTIVITIES	\$ (16,389)	\$ 100,781	\$ 849,626	\$ 107,316	\$ 1,041,334
CASH AND INVESTMENTS					
Cash and cash equivalents	\$ 145,893	\$ (165,804)	\$ 174,666	\$ 48,276	\$ 203,031
Investments	573,321	3,120,545	6,405,417	518,681	10,617,964
TOTAL CASH AND INVESTMENTS	\$ 719,214	\$ 2,954,741	\$ 6,580,083	\$ 566,957	\$ 10,820,995

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, 2007

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund		
Public works department	\$ 142,199	\$ 144,199
Refuse Disposal Fund	454	454
Water and Sewer Fund	15,078	15,078
Vehicle Maintenance Fund	1,816	1,816
Total operating revenues	159,547	161,547
OPERATING EXPENSES		
Administration		
Capital outlay	249,050	189,064
OPERATING INCOME (LOSS)	(89,503)	(27,517)
NONOPERATING REVENUES (EXPENSES)		
Investment income	30,000	35,908
CHANGE IN NET ASSETS	\$ (59,503)	8,391
NET ASSETS, JANUARY 1		701,685
NET ASSETS, DECEMBER 31		\$ 710,076

(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, 2007

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund	\$ 4,361,702	\$ 4,364,546
Refuse Disposal Fund	84,622	84,670
Community Development Block Grant Fund	12,293	12,293
Water and Sewer Fund	470,073	470,355
Parking Fund	20,350	20,350
Vehicle Maintenance Fund	119,707	119,998
Library	394,378	415,849
Contributions		
Employee	305,244	299,898
Retiree	600,000	636,600
Flexcomp	3,408	5,350
Miscellaneous - other reimbursements	35,000	50,168
	<u>6,406,777</u>	<u>6,480,077</u>
OPERATING EXPENSES		
Administration	261,282	411,265
Insurance and claims	6,684,857	5,331,388
	<u>6,946,139</u>	<u>5,742,653</u>
OPERATING INCOME (LOSS)	(539,362)	737,424
NONOPERATING REVENUES (EXPENSES)		
Investment income	117,000	113,274
	<u>117,000</u>	<u>113,274</u>
CHANGE IN NET ASSETS	<u>\$ (422,362)</u>	850,698
NET ASSETS, JANUARY 1		<u>1,716,525</u>
NET ASSETS, DECEMBER 31		<u>\$ 2,567,223</u>

(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, 2007

	Final Budget	Actual
ADMINISTRATION		
Casualty and property program		
Claims administration	\$ 48,000	\$ 42,112
Other contractual services	39,500	18,987
	<hr/>	<hr/>
Total casualty and property program	87,500	61,099
	<hr/>	<hr/>
Medical program		
Claims administration	173,782	350,166
	<hr/>	<hr/>
Total administration	261,282	411,265
	<hr/>	<hr/>
INSURANCE AND CLAIMS		
Casualty and property program		
Property insurance	108,790	94,251
Liability insurance	244,000	-
HELP excess liability insurance	150,158	96,078
Workers compensation insurance	42,735	42,732
Faithful performance insurance	2,545	2,423
Surety bonds	2,050	1,950
Property claims	5,000	-
Liability claims	200,000	66,492
Workers compensation claims	860,000	243,681
Auto claims	7,500	74,026
Village property claims	5,000	31,216
Unemployment compensation claims	5,000	7,489
Tree hazard study	13,263	11,415
Other claims	1,000	3,412
	<hr/>	<hr/>
Total casualty and property program	1,647,041	675,165
	<hr/>	<hr/>
Medical program		
Medical expense - HMO plan	1,400,236	1,423,357
Medical expense - indemnity plan	3,538,424	3,135,643
Refund of premium	68,674	72,534
Other medical claims	3,000	3,350
Life insurance	26,157	21,339
Disability insurance	1,325	-
	<hr/>	<hr/>
Total medical program	5,037,816	4,656,223
	<hr/>	<hr/>
Total insurance and claims	6,684,857	5,331,388
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	\$ 6,946,139	\$ 5,742,653

(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, 2007

	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES		
Charges for services		
General Fund		
Television services division	\$ 541	\$ 541
Mayor and board charges	1,977	1,977
Manager's office charges	2,316	2,316
Community development - administration	1,500	1,500
Community development - code enforcement	6,989	6,989
Community development - housing	3,750	3,750
Community development - health	2,250	2,250
Police department	249,175	249,175
Fire department	229,884	229,884
Public works department	183,199	183,199
Engineering division	7,500	7,500
Water and Sewer Fund	152,064	152,064
Parking System Fund	8,481	8,481
Miscellaneous income	-	299
	<u>849,626</u>	<u>849,925</u>
OPERATING EXPENSES		
Administration		
Capital outlay	1,406,810	1,019,248
Less nonoperating expenses		
Fixed assets capitalized	-	1,019,248
Total administration	<u>1,406,810</u>	<u>-</u>
Depreciation	<u>-</u>	<u>867,481</u>
	<u>1,406,810</u>	<u>867,481</u>
	<u>(557,184)</u>	<u>(17,556)</u>
OPERATING INCOME (LOSS)		
NONOPERATING REVENUES (EXPENSES)		
Investment income	330,000	327,562
Gain on sale of capital assets	73,000	53,573
	<u>403,000</u>	<u>381,135</u>
	<u>(154,184)</u>	<u>363,579</u>
NET INCOME BEFORE TRANSFERS		
TRANSFER IN	<u>-</u>	<u>165,106</u>
CHANGE IN NET ASSETS	<u>\$ (154,184)</u>	528,685
NET ASSETS, JANUARY 1		<u>10,085,209</u>
NET ASSETS, DECEMBER 31		<u>\$ 10,613,894</u>

(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, 2007

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
General Fund		
Mayor and board	\$ 2,801	\$ 2,801
Manager's office charges	2,801	2,801
Television services division	2,800	2,800
Community development - administration	2,801	2,801
Community development - code enforcement	19,449	19,449
Community development - housing	15,871	15,871
Community development - health	10,892	10,892
Human services department	2,801	2,801
Police department	456,828	456,828
Public works department	549,251	549,251
Engineering division	27,229	27,229
Water and Sewer Fund	454,027	454,027
Parking System Revenue Fund	8,402	8,402
Miscellaneous income	-	102
Total operating revenues	<u>1,555,953</u>	<u>1,556,055</u>
OPERATING EXPENSES		
Administration and maintenance	1,578,353	1,418,414
Depreciation	-	13,149
Total operating expenses	<u>1,578,353</u>	<u>1,431,563</u>
OPERATING INCOME (LOSS)	(22,400)	124,492
NONOPERATING REVENUES		
Investment income	17,400	23,708
Total nonoperating revenues	<u>17,400</u>	<u>23,708</u>
CHANGE IN NET ASSETS	<u>\$ (5,000)</u>	148,200
NET ASSETS, JANUARY 1		<u>620,375</u>
NET ASSETS, DECEMBER 31		<u>\$ 768,575</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, 2007

	Final Budget	Actual
ADMINISTRATION AND MAINTENANCE		
Vehicle division administration		
Personal services	\$ 118,111	\$ 108,476
Employee benefits	53,536	52,292
Other employee costs	2,250	820
Contractual services	8,766	8,178
Utilities	1,060	996
Commodities and supplies	1,530	1,365
Capital expenditures	530	-
Total vehicle division administration	<u>185,783</u>	<u>172,127</u>
Vehicle maintenance program		
Personal services	577,430	567,038
Employee benefits	183,495	180,459
Contractual services	69,385	57,091
Commodities and supplies	553,840	438,407
Capital expenditures	8,420	3,292
Total vehicle maintenance program	<u>1,392,570</u>	<u>1,246,287</u>
Total administration and maintenance	1,578,353	1,418,414
Depreciation	-	13,149
TOTAL OPERATING EXPENSES	<u><u>\$ 1,578,353</u></u>	<u><u>\$ 1,431,563</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, 2007

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and investments			
Cash and short-term investments	\$ 6,516,708	\$ 4,895,798	\$ 11,412,506
Investments			
U.S. Government and agency obligations	16,180,295	17,886,044	34,066,339
Mutual funds - equity	18,663,784	18,611,867	37,275,651
Municipal bonds	1,393,312	1,403,561	2,796,873
 Total cash and investments	 42,754,099	 42,797,270	 85,551,369
 Accrued interest receivable	 158,527	 169,734	 328,261
Due from other funds	72,969	76,298	149,267
Prepays	-	650	650
 Total assets	 42,985,595	 43,043,952	 86,029,547
LIABILITIES			
Accounts payable	22,365	12,916	35,281
Due to other funds	45	855	900
 Total liabilities	 22,410	 13,771	 36,181
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	 \$ 42,963,185	 \$ 43,030,181	 \$ 85,993,366

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, 2007

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions			
Employer	\$ 1,334,425	\$ 1,348,076	\$ 2,682,501
Participants	643,372	542,143	1,185,515
Total contributions	<u>1,977,797</u>	<u>1,890,219</u>	<u>3,868,016</u>
Investment income			
Net appreciation in fair value of investments	1,856,129	1,876,113	3,732,242
Interest earned	1,563,932	1,766,712	3,330,644
Less investment expenses	(69,740)	(76,376)	(146,116)
Net investment income	<u>3,350,321</u>	<u>3,566,449</u>	<u>6,916,770</u>
Total additions	<u>5,328,118</u>	<u>5,456,668</u>	<u>10,784,786</u>
DEDUCTIONS			
Contractual services	819	-	819
Pension benefits and refunds	2,448,761	2,593,372	5,042,133
Total deductions	<u>2,449,580</u>	<u>2,593,372</u>	<u>5,042,952</u>
NET INCREASE	2,878,538	2,863,296	5,741,834
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>40,084,647</u>	<u>40,166,885</u>	<u>80,251,532</u>
December 31	<u>\$ 42,963,185</u>	<u>\$ 43,030,181</u>	<u>\$ 85,993,366</u>

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, 2007

	Final Budget	Actual
ADDITIONS		
Contributions		
Employer	\$ 1,351,250	\$ 1,334,425
Participants	643,250	643,372
Total contributions	<u>1,994,500</u>	<u>1,977,797</u>
Investment income		
Net appreciation in fair value of investments	2,148,000	1,856,129
Interest earned	1,383,000	1,563,932
Less investment expenses	<u>(79,000)</u>	<u>(69,740)</u>
Net investment income	<u>3,452,000</u>	<u>3,350,321</u>
Total additions	<u>5,446,500</u>	<u>5,328,118</u>
DEDUCTIONS		
Contractual services	4,550	819
Pension benefits and refunds	<u>2,391,583</u>	<u>2,448,761</u>
Total deductions	<u>2,396,133</u>	<u>2,449,580</u>
NET INCREASE	<u><u>\$ 3,050,367</u></u>	2,878,538
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
January 1		<u>40,084,647</u>
December 31		<u><u>\$ 42,963,185</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, 2007

	Final Budget	Actual
ADDITIONS		
Contributions		
Employer	\$ 1,325,790	\$ 1,348,076
Participants	563,000	542,143
Total contributions	<u>1,888,790</u>	<u>1,890,219</u>
Investment income		
Net appreciation in fair value of investments	2,344,000	1,876,113
Interest earned	1,560,500	1,766,712
Less investment expenses	(83,000)	(76,376)
Net investment income	<u>3,821,500</u>	<u>3,566,449</u>
Total additions	<u>5,710,290</u>	<u>5,456,668</u>
DEDUCTIONS		
Contractual services	1,750	-
Pension benefits and refunds	2,553,208	2,593,372
Total deductions	<u>2,554,958</u>	<u>2,593,372</u>
NET INCREASE	<u>\$ 3,155,332</u>	2,863,296
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
January 1		<u>40,166,885</u>
December 31		<u>\$ 43,030,181</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, 2007

	Balances		Balances	
	January 1	Additions	Deductions	December 31
All Funds				
ASSETS				
Cash and investments	\$ 1,711,374	\$ 343,716	\$ 21,154.00	\$ 2,033,936
Due from other funds	332	-	332	-
TOTAL ASSETS	\$ 1,711,706	\$ 343,716	\$ 21,486.00	\$ 2,033,936
LIABILITIES				
Deposits payable	\$ 1,671,357	\$ 302,876	\$ 4,683	\$ 1,969,550
Due to other funds	-	40,045	-	40,045
Other liabilities	3,951	-	-	3,951
Due to bondholders	16,830	795	-	17,625
Due to library	19,568	-	16,803	2,765
TOTAL LIABILITIES	\$ 1,711,706	\$ 343,716	\$ 21,486	\$ 2,033,936
Escrow Deposit Fund				
ASSETS				
Cash and investments	\$ 1,626,895	\$ 302,876	\$ -	\$ 1,929,771
TOTAL ASSETS	\$ 1,626,895	\$ 302,876	\$ -	\$ 1,929,771
LIABILITIES				
Deposits payable	\$ 1,622,944	\$ 302,876	\$ -	\$ 1,925,820
Other liabilities	3,951	-	-	3,951
TOTAL LIABILITIES	\$ 1,626,895	\$ 302,876	\$ -	\$ 1,929,771

(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, 2007

	Balances				Balances	
	January 1	Additions	Deductions		December 31	
Flexcomp Escrow Fund						
ASSETS						
Cash and investments	\$ 48,081	\$ 40,045	\$ 4,351		\$ 83,775	
Due from other funds	332	-	332		-	
TOTAL ASSETS	\$ 48,413	\$ 40,045	\$ 4,683		\$ 83,775	
LIABILITIES						
Deposits payable	\$ 48,413	\$ -	\$ 4,683		\$ 43,730	
Due to other funds	-	40,045	-		40,045	
TOTAL LIABILITIES	\$ 48,413	\$ 40,045	\$ 4,683		\$ 83,775	
Special Services Areas Fund						
ASSETS						
Cash and investments	\$ 16,830	\$ 795	\$ -		\$ 17,625	
TOTAL ASSETS	\$ 16,830	\$ 795	\$ -		\$ 17,625	
LIABILITIES						
Due to bondholders	\$ 16,830	\$ 795	\$ -		\$ 17,625	
TOTAL LIABILITIES	\$ 16,830	\$ 795	\$ -		\$ 17,625	
Library Bonds Escrow Fund						
ASSETS						
Cash and investments	\$ 19,568	\$ -	\$ 16,803		\$ 2,765	
TOTAL ASSETS	\$ 19,568	\$ -	\$ 16,803		\$ 2,765	
LIABILITIES						
Due to library	\$ 19,568	\$ -	\$ 16,803		\$ 2,765	
TOTAL LIABILITIES	\$ 19,568	\$ -	\$ 16,803		\$ 2,765	

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, and compensated absences.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

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

December 31, 2007

	General Obligation Bonds, Series 1999	General Obligation Bonds, Series 2000	General Obligation Bonds, Series 2001
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT			
Amount available in debt service funds	\$ 94,398	\$ -	\$ -
Amount to be provided for retirement of general long-term debt	1,560,602	950,000	3,915,000
TOTAL	\$ 1,655,000	\$ 950,000	\$ 3,915,000
GENERAL LONG-TERM DEBT PAYABLE			
General obligation bonds payable	\$ 1,655,000	\$ 950,000	\$ 3,915,000
IEPA flood loans	-	-	-
Installment contract payable	-	-	-
Compensated absences payable	-	-	-
Net pension obligation	-	-	-
TOTAL	\$ 1,655,000	\$ 950,000	\$ 3,915,000

General Obligation Bonds, Series 2003	IEPA Flood Loans	Installment Contract Series 2004	Net Pension Obligation	Compensated Absences	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,398
9,895,000	4,290,413	355,000	498,231	2,732,058	24,196,304
<u>\$ 9,895,000</u>	<u>\$ 4,290,413</u>	<u>\$ 355,000</u>	<u>\$ 498,231</u>	<u>\$ 2,732,058</u>	<u>\$ 24,290,702</u>
\$ 9,895,000	\$ -	\$ -	\$ -	\$ -	\$ 16,415,000
-	4,290,413	-	-	-	4,290,413
-	-	355,000	-	-	355,000
-	-	-	-	2,732,058	2,732,058
-	-	-	498,231	-	498,231
<u>\$ 9,895,000</u>	<u>\$ 4,290,413</u>	<u>\$ 355,000</u>	<u>\$ 498,231</u>	<u>\$ 2,732,058</u>	<u>\$ 24,290,702</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2007

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	\$ 63,161,128	None	Chubb	01/01/08
Workers Compensation	500,000	Statutory	\$ 1,000,000	Safety National Insurance Co.	01/01/08
General Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/08
Auto Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/08
Employment Practices Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/08
Police Professional Liability	2,000,000	None	None	Illinois National Insurance Co.	01/01/08
Public Officials Liability (Errors and Omissions)	2,000,000	None	None	Illinois National Insurance Co.	01/01/08
Fiduciary Liability - Police Pension	25,000	5,000,000	5,000,000	Federal Insurance Co.	08/01/08
Fiduciary Liability - Fire Pension	25,000	5,000,000	5,000,000	Federal Insurance Co.	08/01/08
Excess Liability	2,000,000	12,000,000	12,000,000	High-Level Excess Liability Pool	04/30/08
Public Employee Dishonesty	5,000	500,000	None	ITT Hartford	05/01/08
Depositors Forgery	1,000	100,000	None	ITT Hartford	05/01/08
Public Officials Bond - President	-	100,000	100,000	ITT Hartford	05/01/08
Public Officials Bond - Manager	-	100,000	100,000	ITT Hartford	05/01/08
Public Officials Bond - Treasurer	-	250,000	250,000	ITT Hartford	05/01/08
Contingent Tax Interruption	25,000	9,000,000	9,000,000	Chubb	01/01/08
Employee and Retiree Health Insurance	20,000/75,000	None	None	Intergovernmental Personal Benefit Cooperative	06/30/08
Third Party Administrators					
Workers Compensation Claims Administration	N/A	N/A	N/A	Cambridge (formerly Martin Boyer)	01/01/08
Liability Claims Administration	N/A	N/A	N/A	GAB Robins	01/01/08

(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.	128-133
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	134-141
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.	142-145
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.	146-147
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 city provides and the activities it performs.	148-150

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 2003; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

NET ASSETS BY COMPONENT

Last Four Fiscal Years

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

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET ASSETS

Last Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
EXPENSES				
Governmental Activities				
General government	\$ 7,081,460	\$ 3,090,918	\$ 5,110,605	\$ 5,777,024
Public safety	21,314,705	21,660,877	23,336,436	24,565,640
Highways and streets	11,357,935	9,364,421	10,888,397	11,512,271
Health	3,545,694	3,642,891	3,863,140	4,085,316
Welfare	1,518,387	1,465,197	1,344,516	1,759,776
Culture and recreation	287,955	237,024	272,826	221,806
Interest	1,409,929	1,350,049	1,360,081	728,640
Total governmental activities expenses	46,516,065	40,811,377	46,176,001	48,650,473
Business-Type Activities				
Water and sewer	8,398,983	8,954,899	9,200,271	8,839,710
Commuter parking	292,580	369,825	409,041	259,434
Total business-type activities expenses	8,691,563	9,324,724	9,609,312	9,099,144
TOTAL PRIMARY GOVERNMENTAL EXPENSES	\$ 55,207,628	\$ 50,136,101	\$ 55,785,313	\$ 57,749,617
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 3,626,755	3,626,936	4,750,937	5,057,855
Public safety	1,864,447	2,029,632	2,096,875	2,658,824
Highway and streets	158,101	135,151	176,019	231,468
Other activities	261,470	280,083	288,914	305,467
Operating grants and contributions	2,472,301	556,072	513,703	594,223
Capital grants and contributions	66,138	1,894,095	2,106,688	2,812,836
Total governmental activities program revenues	8,449,212	8,521,969	9,933,136	11,660,673
Business-Type Activities				
Charges for services				
Water and sewer	6,404,006	\$ 7,400,759	\$ 8,506,767	\$ 8,888,249
Commuter parking	161,617	205,215	207,085	210,036
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	6,565,623	7,605,974	8,713,852	9,098,285
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 15,014,835	\$ 16,127,943	\$ 18,646,988	\$ 20,758,958

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Four Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
NET (EXPENSE) REVENUE				
Governmental activities	\$ (38,066,853)	\$ (32,289,408)	\$ (36,242,865)	\$ (36,989,800)
Business-type activities	(2,125,940)	(1,718,750)	(895,460)	(859)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (40,192,793)	\$ (34,008,158)	\$ (37,138,325)	\$ (36,990,659)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental Activities				
Taxes				
Property	\$ 12,785,975	\$ 13,775,669	\$ 15,183,214	\$ 15,817,195
Sales	11,502,755	11,871,553	12,720,614	12,773,695
Utility	2,523,576	2,802,467	2,471,590	2,741,121
Other	8,096,054	9,509,376	9,537,327	9,712,568
Investment earnings	207,562	433,605	908,782	924,989
Miscellaneous	153,629	126,411	101,242	42,868
Transfers	-	-	10,433	-
Total governmental activities	35,269,551	38,519,081	40,933,202	42,012,436
Business-Type Activities				
Property Tax	1,495,756	1,533,910	1,527,407	1,504,501
Investment Earnings	61,017	107,068	217,235	262,430
Miscellaneous	(2,913)	-	-	-
Transfers	-	-	(10,433)	-
Total business-type activities	1,553,860	1,640,978	1,734,209	1,766,931
TOTAL PRIMARY GOVERNMENT	\$ 36,823,411	\$ 40,160,059	\$ 42,667,411	\$ 43,779,367
CHANGE IN NET ASSETS				
Governmental activities	\$ (2,797,302)	\$ 6,229,673	\$ 4,690,337	\$ 5,022,636
Business-type activities	(572,080)	(77,772)	838,749	1,766,072
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ (3,369,382)	\$ 6,151,901	\$ 5,529,086	\$ 6,788,708

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GENERAL FUND										
Reserved	\$ 72,870	\$ 18,556	\$ 158,476	\$ 30,995	\$ 174,853	\$ 146,009	\$ 219,694	\$ 312,499	73,529	40,910
Unreserved	6,283,457	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
TOTAL GENERAL FUND	\$ 6,356,327	\$ 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
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 2,866,796	\$ 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
Unreserved, reported in										
Special Revenue Funds	1,607,466	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
Capital Project Funds	5,614,668	7,116,755	9,570,399	14,434,134	10,742,329	-	(1,357,855)	161,614	1,447,070	2,315,134
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 10,088,930	\$ 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

Data Source

Audited Financial Statements

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
REVENUES										
Property taxes	\$ 9,084,945	\$ 9,500,417	\$ 9,521,468	\$ 9,788,282	\$ 10,366,222	\$ 12,455,755	\$ 12,990,865	\$ 14,965,823	\$ 16,990,602	\$ 17,449,740
Other taxes	14,920,039	15,440,186	16,777,120	8,648,900	8,126,874	7,237,371	8,551,912	8,675,106	7,539,794	7,689,985
Licenses, permits and fees	2,884,725	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
Intergovernmental	6,567,928	7,055,123	7,454,599	15,440,052	16,061,890	14,210,114	15,795,862	16,716,240	17,963,101	19,104,620
Charges for services	1,309,991	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
Fines and forfeits	562,027	561,647	436,806	468,941	521,289	595,170	554,741	581,439	521,473	720,673
Investment income	978,198	994,424	1,537,810	1,348,970	715,905	385,214	207,562	433,605	908,782	924,989
Miscellaneous	617,374	750,654	1,740,634	1,033,510	854,805	1,094,763	758,805	822,285	489,097	557,279
Total revenues	36,925,227	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
EXPENDITURES										
General government	2,775,007	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
Public safety	15,176,772	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
Highways and streets	5,690,325	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
Health	3,095,556	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
Welfare	1,058,947	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
Culture and recreation	175,090	199,208	263,487	285,114	278,423	275,184	274,491	284,229	333,148	281,737
Miscellaneous	93,314	135,537	384,387	15,520	15,626	-	-	-	-	-
Capital outlay	6,060,027	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
Debt service										
Principal retirement	2,723,423	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
Interest and fiscal charges	1,027,022	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
Total expenditures	37,875,483	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
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(950,256)	(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

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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
Transfers (out)	(6,509)	(1,926,390)	(1,024,000)	(571,970)	(1,865,928)	(1,096,677)	(794,938)	(989,519)	(1,386,484)	(165,211)
Bonds issued	-	-	-	-	-	12,235,000	-	-	-	-
Bond/note proceeds	4,132,996	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	-	-
Total other financing sources (uses)	4,126,487	7,781,767	3,512,832	5,818,355	621	13,460,000	750,000	2,168,051	(41,531)	(165,106)
NET CHANGE IN FUND BALANCES	\$ 3,176,231	\$ 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
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.79%	11.62%	14.32%	11.65%	13.71%	12.82%	12.02%	10.08%	8.07%	8.78%

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
1997	\$ 553,090,446	\$ 291,177,862	\$ 146,170,148	\$ 202,687	\$ 990,641,143	0.925	\$ 2,971,923,429	33.333%
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%

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	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
VILLAGE DIRECT RATES										
Corporate	0.499	0.493	0.505	0.514	0.459	0.448	0.480	0.444	0.457	0.469
Bonds & Interest	0.071	0.066	0.060	0.060	0.055	0.063	0.078	0.070	0.091	0.083
Garbage	0.245	0.230	0.222	0.224	0.198	0.169	0.173	0.154	0.122	0.126
Police Pension	0.060	0.059	0.056	0.065	0.059	0.065	0.070	0.065	0.081	0.085
Fire Pension	0.050	0.048	0.054	0.068	0.065	0.068	0.073	0.068	0.075	0.083
TOTAL DIRECT RATES	0.925	0.896	0.897	0.932	0.837	0.813	0.874	0.801	0.827	0.846
OVERLAPPING RATES										
Mount Prospect Library	0.297	0.386	0.373	0.377	0.352	0.435	0.487	0.475	0.466	0.482
County of Cook	0.919	0.911	0.854	0.824	0.746	0.690	0.630	0.593	0.533	0.500
Consolidated Elections	0.027	0.000	0.023	0.000	0.032	0.000	0.029	0.000	0.014	0.000
Forest Preserve District	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.057
Metropolitan Water Reclamation District	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.284
Suburban TB Sanitarium	0.008	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.005
Township of Elk Grove	0.066	0.062	0.060	0.061	0.053	0.050	0.051	0.046	0.044	0.044
Township of Maine	0.089	0.085	0.084	0.089	0.079	0.076	0.079	0.071	0.070	0.073
Township of Wheeling	0.079	0.076	0.073	0.053	0.049	0.040	0.047	0.042	0.041	0.043
General Assistance Elk Grove	0.014	0.013	0.013	0.013	0.011	0.011	0.011	0.007	0.009	0.009
General Assistance Maine	0.016	0.015	0.015	0.016	0.015	0.015	0.016	0.015	0.015	0.016
General Assistance Wheeling	0.016	0.013	-	-	-	0.008	0.010	0.009	0.009	0.010
Road and Bridge Elk Grove	0.011	0.011	0.010	0.011	0.009	0.009	0.010	0.009	0.009	0.009
Road and Bridge Maine	0.044	0.042	0.042	0.044	0.039	0.038	0.040	0.036	0.036	0.038
Road and Bridge Wheeling	0.012	0.012	0.012	0.013	0.012	0.012	0.013	0.012	0.012	0.013
Northwest Mosquito Abatement	0.011	0.010	0.010	0.011	0.010	0.009	0.010	0.009	0.009	0.009
Arlington Heights High School #214	2.278	2.204	2.183	2.257	1.989	1.888	1.982	1.818	1.759	1.823
Community College District #512	0.292	0.277	0.270	0.347	0.308	0.295	0.310	0.279	0.281	0.288
Arlington Heights Park District	0.565	0.558	0.562	0.584	0.484	0.458	0.516	0.466	0.453	0.461
Village of Mount Prospect										
Special Service Area #6	0.678	0.637	0.588	0.594	0.441	0.384	0.418	0.298	-	-
Special Service Area #5	0.184	0.173	0.167	0.168	0.148	0.137	0.141	0.125	0.117	0.118
Special Service Area #1	0.458	-	-	-	-	-	-	-	-	-
School District #59	2.091	2.029	2.021	2.116	1.943	1.855	2.127	1.972	1.933	2.013

VILLAGE OF MOUNT PROSPECT, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Continued)

Last Ten Levy Years

TAX LEVY YEAR	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
OVERLAPPING RATES										
Mount Prospect Park District	0.585	0.568	0.557	0.571	0.502	0.473	0.498	0.455	0.459	0.474
School District #57	3.726	3.522	3.475	3.598	3.050	2.878	3.019	2.740	2.643	2.694
School District #25 Arlington Heights	4.304	4.174	4.111	4.306	3.730	3.527	3.653	3.156	3.225	3.295
River Trails Park District	0.555	0.551	0.552	0.554	0.524	0.485	0.517	0.484	0.480	0.484
School District #26	3.702	3.498	3.385	3.441	3.212	3.192	3.313	2.948	2.880	3.047
Prospect Heights Park District	0.595	0.796	0.792	0.810	0.692	0.656	0.730	0.662	0.640	0.658
School District #23	3.890	3.719	3.714	3.878	3.345	3.183	3.344	2.987	2.880	2.948
School District #21	3.227	3.109	3.075	3.201	2.886	3.266	3.575	3.262	3.394	3.502
Des Plaines Park District	0.455	0.449	0.447	0.462	0.408	0.422	0.444	0.427	0.350	0.356
Prospect Heights Old Town Sanitary	0.092	0.090	0.089	0.094	0.082	0.079	0.082	0.073	0.071	0.074
High School #207	2.352	2.234	2.198	2.298	2.026	1.936	2.012	1.795	1.757	1.826
Community College #535	0.216	0.205	0.203	0.213	0.186	0.179	0.186	0.161	0.158	0.166
School District #62	2.466	2.378	2.348	2.455	2.225	2.148	2.228	2.475	2.501	2.627
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, ELK GROVE TOWNSHIP AND SCHOOL DISTRICT #59										
	8.233	8.065	7.935	8.180	7.383	7.103	7.584	6.997	6.840	6.961
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	11.2%	11.1%	11.3%	11.4%	11.3%	11.4%	11.5%	11.4%	12.1%	12.2%
TOTAL TAX RATE FOR PROPERTY LOCATED IN THE VILLAGE OF MOUNT PROSPECT, WHEELING TOWNSHIP AND SCHOOL DISTRICT #26										
	9.804	9.530	9.271	9.469	8.662	8.442	8.768	7.974	7.787	7.999
SHARE OF TOTAL TAX RATE LEVIED BY THE VILLAGE OF MOUNT PROSPECT FOR VILLAGE PURPOSES										
	9.4%	9.4%	9.7%	9.8%	9.7%	9.6%	10.0%	10.0%	10.6%	10.6%

* 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 Nine Years Ago

2006					1997				
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	\$ 33,968,131	1	2.13%	Rouse Company	Randhurst Shopping Center	\$ 69,405,631	1	7.00%
New Plan Excel Property	Mount Prospect Plaza -Retail	23,658,205	2	1.48%	Insignia ESG	Property Management	20,422,187	2	2.06%
Home Properties Colony	Colony Square Apartments	21,395,566	3	1.34%	John Hancock Finance	Colony Square Apartments	18,911,810	3	1.91%
CRP Holdings	Real Estate	19,499,900	4	1.22%	James Campbell Estate	Commercial Development	11,952,629	4	1.21%
Golf Plaza	Shopping Center	17,744,319	5	1.11%	Deloitte & Touche	Property Management	11,192,555	5	1.13%
Huntington Square	Apartments	11,841,458	6	0.74%	Mills Corporation	Shopping Center	10,166,416	6	1.03%
Cummins Allison	Manufacturing	11,722,576	7	0.73%	Washington Capital	Mt. Shire Apartments	8,915,906	7	0.90%
Costco Property Tax	Commercial Sales Store	10,551,125	8	0.66%	Shell Oil Company	Storage Facilities	8,256,099	8	0.83%
Wal-Mart	Commercial Sales Store	9,475,929	9	0.59%	Cabot Ind. Properties	Property Management	8,210,461	9	0.83%
Lake Center Plaza Partners	Office Building Management	9,365,101	10	0.59%	3Com Prop. Admin	Graphics Eqpt. Manufacturer	7,384,044	10	0.75%
		<u>\$ 169,222,310</u>		<u>10.59%</u>			<u>\$ 174,817,738</u>		<u>17.65%</u>
Total 2006 Equalized Assessed Valuation		<u>\$ 1,597,309,461</u>		<u>100.00%</u>	Total 1997 Equalized Assessed Valuation		<u>\$ 990,641,143</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%	38,502	9,427,982	99.53%
1999	9,803,695	9,420,487	96.09%	360,482	9,780,969	99.77%
2000	10,146,824	9,697,911	95.58%	407,915	10,105,826	99.60%
2001	10,501,972	10,174,385	96.88%	142,981	10,317,366	98.24%
2002	11,010,747	10,619,494	96.45%	226,418	10,845,912	98.50%
2003	11,539,756	11,107,262	96.25%	343,703	11,450,965	99.23%
2004	11,939,893	11,534,824	96.61%	234,576	11,769,400	98.57%
2005	13,175,689	12,222,889	92.77%	901,196	13,124,085	99.61%
2006	13,506,574	12,369,490	91.58%	-	12,369,490	91.58%
2007 *	14,014,838	-	-	-	-	-

*Will be collected in 2008 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General merchandise	\$ 1,671,574	\$ 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
Food	930,000	913,390	928,488	906,374	896,492	918,773	849,929	901,597	883,285	1,042,920
Drinking and eating places	476,290	464,537	891,594	521,263	474,667	486,766	498,789	547,681	566,627	583,799
Apparel	237,773	243,720	238,597	210,051	173,459	169,613	156,900	124,285	157,184	149,857
Furniture & H.H. & radio	348,908	391,815	337,049	350,994	296,467	286,666	283,729	230,378	280,088	274,809
Lumber, building hardware	585,996	642,914	813,233	822,656	871,786	869,336	916,388	907,954	869,944	801,315
Automobile and filling stations	453,664	591,229	687,736	724,214	680,754	709,602	756,261	1,185,563	1,267,636	1,333,637
Drugs and miscellaneous retail	751,639	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
Agriculture and all others	924,229	1,249,889	1,606,944	1,524,595	1,046,332	637,681	653,924	714,534	819,090	853,036
Manufacturers	567,879	425,015	482,575	269,537	121,415	127,213	101,044	115,036	105,704	110,189
TOTAL	\$ 6,947,952	\$ 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
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	1,437	1,249	1,237	1,197	1,169	1,147	1,105	1,125	1,168	1,149

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

Date Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS
HOME RULE SALES TAXES BY CATEGORY

Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General merchandise	\$ 771,464	\$ 718,302	\$ 489,220	\$ 561,994	\$ 533,611	\$ 595,104	\$ 789,838	\$ 778,634	\$ 793,949	\$ 811,505
Food	99,797	109,537	119,158	114,353	117,236	122,996	185,355	169,411	160,335	197,945
Drinking and eating places	231,941	226,800	442,421	255,281	234,326	240,779	368,000	405,729	420,844	434,613
Apparel	118,952	121,519	118,633	104,922	86,710	84,805	117,774	93,186	117,804	112,251
Furniture & H.H. & radio	177,185	195,302	168,381	175,306	147,975	143,226	210,821	172,592	209,655	205,312
Lumber, building hardware	292,031	321,192	405,873	410,038	434,913	433,528	683,934	678,295	649,820	598,495
Automobile and filling stations	81,679	91,779	109,191	99,497	108,449	115,982	217,502	420,491	464,579	494,408
Drugs and miscellaneous retail	266,428	256,776	251,605	242,760	242,579	232,887	373,206	407,301	387,350	381,387
Agriculture and all others	444,231	607,814	784,602	745,262	506,482	303,692	517,294	524,602	592,983	621,576
Manufacturers	283,578	209,618	239,829	133,241	59,696	61,351	71,726	83,868	76,697	80,093
TOTAL	\$ 2,767,289	\$ 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
VILLAGE HOME RULE SALES TAX RATE	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%
NUMBER OF TAXPAPERS	1,437	1,249	1,237	1,197	1,169	1,147	1,105	1,125	1,168	1,149

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

Date Source

Illinois Department of Revenue

VILLAGE OF MOUNT PROSPECT, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Levy Years

Fiscal Year	State Rate	County Rate	Regional Transportation Authority	Village Direct Rate	Home Rule Sales Tax Rate	Total
1998	5.00%	1.00%	0.75%	1.00%	0.50%	8.25%
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%

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			
1998	\$ 15,769,557	\$ 3,455,000	\$ 5,969,818	\$ -	\$ 716,000	\$ 25,910,375	2.40%	487
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

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

* See the Schedule of Demographic and Economic Statistics on page 146 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
1998	\$ 19,224,557	\$ 1,843,431	\$ 17,381,126	0.55%	\$ 326.91
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	N/A	290.07

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

* See the Schedule of Assessed Value and estimated Actual Value of Taxable Property on page 134 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, 2007

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	\$ 34,610,000 *	100.00%	\$ 34,610,000
County of Cook	3,022,505,000	1.108%	33,489,355
Forest Preserve District of Cook County	127,185,000	1.108%	1,409,210
Metropolitan Water Reclamation District	1,465,854,000	1.130%	16,564,150
Community College District #512	56,385,000	8.437%	4,757,202
School District #214	29,472,520	17.083%	5,034,791
School District #207	14,505,000	0.067%	9,718
School District #57	9,750,000	93.300%	9,096,750
School District #25	35,580,000	2.777%	988,057
School District #26	9,485,000	79.001%	7,493,245
School District #23	822,426	8.612%	70,827
School District #21	47,388,629	2.618%	1,240,634
School District #59	27,150,000	13.403%	3,638,915
Arlington Heights Park District	25,704,620	1.457%	374,516
Des Plaines Park District	10,089,794	1.470%	148,320
Mount Prospect Park District	6,875,000	59.179%	4,068,556
Prospect Heights Park District	12,538,051	16.514%	2,070,534
River Trails Park District	8,186,380	81.634%	6,682,869
	<u>4,909,476,420</u>		<u>97,137,649</u>
	<u>\$ 4,944,086,420</u>		<u>\$ 131,747,649</u>

* Includes \$18,195,000 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 2006 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, Comprehensive Annual Financial Reports for Cook County, Illinois (2006) and Metropolitan Water Reclamation District of Greater Chicago (2007)

VILLAGE OF MOUNT PROSPECT, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2007

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
1998	53,168	\$ 1,058,023,690	\$ 1,081,702,960	\$ 20,345	3.0%
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	N/A	1,488,996,960	26,464	3.4%

Note: 2007 Equalized Assesed Valuation is unavailable until 2008.

Date 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 Nine Years Ago

2007				1998			
Employer	Rank	Employees	% of Total Village Population	Employer	Rank	Employees	% of Total Village Population
Caremark, Inc *	1	940	1.67%	3 Com	1	3,000	5.64%
Robert Bosch Tool Corp *	2	576	1.02%	AM Mulitgraphics	2	300	0.56%
Metropolitan Life *	3	445	0.79%	Village of Mount Prospect	3	286	0.54%
Cummins-Allison Corp.	4	409	0.73%	Anixter	4	250	0.47%
Village of Mount Prospect	5	335	0.60%	MetLife	5	225	0.42%
Mount Prospect School District 57	6	300	0.53%	Township High School No. 214	6	225	0.42%
Prospect High School *	7	250	0.44%	Output Technologies Inc.	7	200	0.38%
Jewel Food Stores	8	240	0.43%	Cummins-Allison Corporation	8	200	0.38%
Home Depot	9	216	0.38%	Community Consolidated S.D. No. 59	9	197	0.37%
Walmart	10	200	0.36%	Stenograph Corporation	10	185	0.35%

* Based on 2006 information

Note: Information prior to 1998 was unavailable.

Data Source

Village Records.

VILLAGE OF MOUNT PROSPECT, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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	4.85	5.35	5.35	7.35	7.35	8.85	8.85	10.35	10.35	11.35
Television Services Division	2.70	2.70	3.20	2.90	2.90	2.90	2.80	2.80	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	15.00	16.00	16.50	16.50	16.00	15.00	15.00	15.00	15.00	15.00
Total	24.55	26.05	27.05	28.75	28.25	28.75	28.65	30.15	30.45	31.45
Community Development										
Community Development	18.10	19.90	20.40	22.20	21.80	21.30	20.90	20.90	20.90	22.90
Community Development/CDBG	1.20	0.40	0.40	0.40	0.80	0.80	1.20	1.20	1.20	1.20
Total	19.30	20.30	20.80	22.60	22.60	22.10	22.10	22.10	22.10	24.10
Human Services Department	7.60	8.70	8.70	8.70	8.70	8.70	8.70	7.60	7.60	7.60
Total	7.60	8.70	8.70	8.70	8.70	8.70	8.70	7.60	7.60	7.60
Public Safety and Protection										
Police Department	104.20	105.20	104.80	104.50	104.50	105.50	105.50	105.50	110.50	111.50
Fire Department	76.70	76.70	77.70	80.70	80.70	80.70	80.70	80.70	83.90	84.20
Total	180.90	181.90	182.50	185.20	185.20	186.20	186.20	186.20	194.40	195.70
Public Works Department										
Administration	3.60	3.60	3.40	3.40	3.40	3.40	3.35	3.35	3.35	3.35
Streets/Bldgs/Parking	16.10	16.60	17.60	17.60	17.10	16.10	14.60	14.60	14.60	14.80
Forestry	11.80	11.80	11.80	11.80	11.80	11.80	11.80	10.80	10.80	10.80
Engineering	7.90	7.90	8.90	8.90	8.90	7.90	7.90	7.90	8.30	8.30
Water /Sewer	25.40	25.10	24.80	24.80	24.80	25.80	25.75	25.75	25.55	26.15
Refuse Disposal	1.40	1.40	1.40	1.40	1.40	1.40	2.90	2.90	2.90	2.90
Vehicle Maintenance	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	8.90	8.90
Total	75.30	75.50	77.00	77.00	76.50	75.50	75.40	74.40	74.40	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	308.70	313.50	317.10	323.30	322.30	322.30	322.10	321.50	330.00	335.10

Data Source

Village budget

VILLAGE OF MOUNT PROSPECT, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007*
Finance Department										
Vehicle stickers issued	40,130	39,808	39,169	39,342	38,916	38,940	38,969	38,425	38,500	39,000
Utility bills	90,400	79,896	79,240	78,000	77,000	81,865	86,429	85,894	109,704	107,400
Real estate transfer tax stamps sold	1,871	1,919	1,600	1,795	1,678	1,774	1,774	1,903	1,800	1,448
Community Development										
Building Division										
Permits issued	3,341	3,698	3,584	3,638	3,122	3,427	3,429	3,217	2,918	2,785
Plan reviews	425	475	568	408	259	387	473	744	706	755
Building code inspections	9,669	10,503	14,821	16,273	13,825	12,839	13,364	14,364	10,228	9,700
Environmental Health Division										
Inspections										
Food service	391	394	390	403	414	422	404	364	400	410
Multi-family buildings	649	638	666	659	664	652	654	414	583	600
Swimming pools/spa	115	23	58	24	30	28	30	6	33	32
Public Safety										
Police										
Number of crimes	6,823	6,554	5,642	5,489	6,100	5,774	4,548	3,834	3,247	3,300
Number of service calls	34,620	33,426	35,937	33,926	35,442	40,507	43,656	30,387	25,443	25,500
Number of arrests	2,300	2,274	1,657	1,793	2,009	2,226	2,032	1,740	1,855	1,870
Moving violations	9,424	8,730	6,114	5,321	6,463	9,070	7,947	7,383	6,522	8,000
Parking citations	11,670	10,542	7,527	8,536	10,588	7,913	6,799	8,194	7,641	8,500
Fire										
Fire calls	2,061	1,910	1,999	2,000	1,941	1,837	1,882	1,837	1,647	1,894
EMS calls	3,110	3,256	3,391	3,197	3,160	3,412	3,229	3,443	3,679	3,650
Fire prevention inspections	3,474	3,200	3,150	3,637	2,900	2,838	2,305	2,692	4,388	4,900
Training hours	18,546	21,016	21,349	25,699	23,417	23,847	25,180	22,397	21,865	21,807
Public Works										
Streets										
Street reconstruction (miles)	2.9	2.9	2.90	2.90						
Streeting resurfacing (miles)	4.8	5.3	5.30	5.30	8.00	8.00	9.00	5.00	9.00	7.00
Crack filling (lbs.)	32,000	57,425	38,370	48,075	51,057	50,490	56,520	58,700	47,390	50,000
Leaves removed (cubic yards)	17,159	18,034	18,409	17,809	20,802	19,500	18,096	16,897	16,302	19,000
Water										
Water mains installed (lineal feet)	1,375	1,200	3,600	1,392	44	4,500	1,150	3,250	3,000	9,500
Water billed (1,000 gallons)	1,538,840	1,569,865	1,587,480	1,580,000	1,539,074	1,550,000	1,491,000	1,491,251	1,501,699	1,650,000
Sanitary sewers cleaned (ft)	57,440	35,165	50,800	41,100	37,165	45,000	45,000	45,000	70,000	30,000
Refuse (single/multi-family)										
Solid waste collected (tons)	34,664	36,087	36,162	37,781	37,881	37,978	37,465	33,019	32,188	32,151
Recycling (tons)	6,579	6,513	7,199	7,252	7,224	7,009	6,685	7,348	6,890	6,605

* 2007 are estimated amounts. Final figures are not available at time of printing report.

Data Source

Various village departments

VILLAGE OF MOUNT PROSPECT, ILLINOIS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols vehicles	36	37	38	38	38	34	36	38	39	35
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines/vehicles	26	25	25	25	24	28	25	23	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	158	163	163	164	166
Fire hydrants	2,051	2,065	2,100	2,500	2,141	2,200	2,230	2,200	2,309	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	123
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	As Per Cent of		Per Capita
	Applicable as of December 31, 2007	Assessed Value	Estimated True Value	2000 Census 56,265
Assessed Valuation of Taxable Real Property, 2006	\$ 1,639,666,911 ⁽³⁾	100.00%	33.33%	\$ 29,141.86
Estimated True Value of Taxable Real Property, 2006	4,919,000,733	300.00%	100.00%	87,425.59
Direct Bonded Debt payable from Property Taxes ⁽¹⁾				
Payable From Property taxes	\$ 32,005,000	1.95%	0.65%	\$ 568.83
Self-Supporting Debt	2,605,000	0.16%	0.05%	46.30
Total Direct Bonded Debt	\$ 34,610,000	2.11%	0.70%	\$ 615.12
Overlapping Bonded Debt Payable from Property Taxes ⁽²⁾				
Schools	\$ 32,330,139	1.97%	0.66%	\$ 574.60
Other Than Schools	64,807,511	3.95%	1.32%	1,151.83
Total Overlapping Bonded Debt	\$ 97,137,650	5.92%	1.97%	\$ 1,726.43
Total Direct and Overlapping Bonded Debt	\$ 131,747,650	8.04%	2.68%	\$ 2,341.56
Total Direct and Overlapping Bonded Debt Excl. Self-Supporting	\$ 129,142,650	7.88%	2.63%	\$ 2,295.26

- 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, 2007".
 - The Village's 2006 equalized assessed valuation includes \$42,357,450 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, 2007)**

Due Calendar Date	Principal Maturities			Total Maturities		Debt Service Tax Levies	
	Property Taxes ⁽²⁾	Sales Taxes ⁽³⁾	TIF Fund ⁽⁴⁾	Annual Amount	Cumul. Percent	Levy Year	Property Taxes
2008	1,480,000	950,000	1,655,000	4,085,000	11.8%	2007	2,837,280
2009	1,620,000	-	-	1,620,000	16.5%	2008	2,920,582
2010	1,690,000			1,690,000	21.4%	2009	2,925,839
2011	1,750,000			1,750,000	26.4%	2010	2,917,157
2012	1,830,000			1,830,000	31.7%	2011	2,923,513
2013	1,900,000			1,900,000	37.2%	2012	2,915,062
2014	1,990,000			1,990,000	43.0%	2013	2,923,358
2015	2,075,000			2,075,000	48.9%	2014	2,921,146
2016	2,270,000			2,270,000	55.5%	2015	3,022,863
2017	2,365,000			2,365,000	62.3%	2016	3,017,375
2018	2,460,000			2,460,000	69.4%	2017	3,015,360
2019	2,565,000			2,565,000	76.9%	2018	3,017,800
2020	2,680,000			2,680,000	84.6%	2019	3,025,098
2021	2,795,000			2,795,000	92.7%	2020	3,025,768
2022	2,535,000			2,535,000	100.0%	2021	2,644,655
	<u>\$ 32,005,000</u>	<u>\$ 950,000</u>	<u>\$ 1,655,000</u>	<u>\$ 34,610,000</u>			

- 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 \$4,290,413 as of December 31, 2007. 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.

- 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 (\$18,195,000) on the Series 2002 Library Bonds and Series 2006 Library Refunding Bonds.
- Includes the Series 2000 Bonds.
- Includes the Village's Series 1999 (taxable) 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:
- Taken from applicable Official Statements.
 - Excludes the Village's general obligation bonds which are payable from non-property tax sources (see notes 3-4 to the "Retirement Schedules of Outstanding Village General Obligation bonded Debt" above).
 - 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%

- Notes:
- Property in Cook County is separated into eight classifications for assessment purposes (ranging in 1985 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.
 - Under the current triennial reassessment system in Cook County, the Village was most recently reassessed in 2004.
 - Excludes four categories of exemptions: the Senior Citizens' Homestead Exemption; the General Homestead Exemption; the Senior Citizens' Tax Freeze Homestead Exemption and the Long-Term Homeowner Exemption.
 - The Village's tax rate is calculated based on the village's Net Equalized Assessed Valuation (shown in this table as "net For General Taxing Purposes") and is extended against its entire Equalized Assessed Valuation (shown in this table as "total for all Taxing Purposes") excluding only the statutory exemptions. Of the taxes collected, that portion applicable to incremental valuation (valuation of tax increment districts) is remitted to the Village by the county Collector for deposit in the applicable tax allocation fund. The Equalized Assessed Valuation for which the Village receives its portion of the total tax rate for all non-TIF purposes is shown in this table as "Net for General Taxing Purposes".

**DETAILED OVERLAPPING BONDED INDEBTEDNESS PAYABLE FROM PROPERTY TAXES AT
DECEMBER 31, 2007**

SCHOOL DISTRICTS:	Percent of Village's 2006 Real Property in Taxing Body	Gross Bonded Debt (2)	Village's Applicable Share (Note 1) of Gross Debt to be Paid From Property Taxes	
			Percent	Amount
Elementary Districts:				
Mount Prospect No. 57	34.8%	9,750,000	93.300%	9,096,750
River Trails No. 26	28.2%	9,485,000	79.001%	7,493,245
Community Consolidated No. 59	27.7%	27,150,000	13.403%	3,638,915
Wheeling Community Consolidated No. 21	3.5%	47,388,629	2.618%	1,240,634
Prospect Heights No. 23	2.9%	822,426	8.612%	70,827
Arlington Heights No. 25	2.8%	35,580,000	2.777%	988,057
Community Consolidated No. 62	0.1%	-	0.050%	-
	<u>100.0%</u>			
High School Districts:				
Wheeling/Elk Grove No. 214	99.8%	29,472,520	17.083%	5,034,791
Maine Township No. 207	0.2%	14,505,000	0.067%	9,718
	<u>100.0%</u>			
Community Colleges:				
Harper No. 512	99.8%	56,385,000	8.437%	4,757,202
Oakton No. 535	0.2%	-	0.016%	-
	<u>100.0%</u>			
Total Schools				<u>32,330,139</u>
OTHER THAN SCHOOL DISTRICTS:				
Cook County, Including Forest Preserve District	100.0%	3,149,690,000	1.108%	34,898,565
Metropolitan Water Reclamation District	100.0%	1,465,854,000	1.130%	16,564,150
Park Districts:				
Mount Prospect	64.3%	6,875,000	59.179%	4,068,556
River Trails	28.0%	8,186,380	81.634%	6,682,869
Prospect Heights	3.6%	12,538,051	16.514%	2,070,534
Arlington Heights	2.5%	25,704,620	1.457%	374,516
Des Plaines	1.6%	10,089,794	1.470%	148,320
Total Other Than Schools				<u>64,807,511</u>

- Notes:
1. Village's share based upon 2006 Real Property valuations.
 2. 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.

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

	Levy Years				
	2002	2003	2004	2005	2006
Village of Mount Prospect:					
Bonds and Interest	\$ 0.064	\$ 0.078	\$ 0.070	\$ 0.091	\$ 0.083
Pensions (Police, Fire)	0.132	0.143	0.133	0.156	0.168
Corporate	0.448	0.480	0.444	0.457	0.469
Garbage	0.169	0.173	0.154	0.122	0.126
Total Village	\$ 0.813	\$ 0.874	\$ 0.801	\$ 0.826	\$ 0.846
Cook County, Including Forest Preserve District	0.751	0.689	0.653	0.593	0.570
Metropolitan Water Reclamation District	0.371	0.361	0.347	0.315	0.284
Mount Prospect Park District	0.473	0.498	0.455	0.459	0.474
Mount Prospect Public Library	0.435	0.487	0.475	0.466	0.482
Special Service Area No. 5	0.137	0.141	0.125	0.125	0.118
Community Consolidated School District No. 59	1.855	2.127	1.972	1.933	2.013
Township High School District No. 214	1.888	1.982	1.818	1.759	1.823
Harper College No. 512	0.295	0.310	0.279	0.281	0.288
All Other	0.085	0.115	0.072	0.083	0.063
Total (2)	\$ 7.103	\$ 7.584	\$ 6.997	\$ 6.840	\$ 6.961
 Village as a Percent of Total	11.4%	11.5%	11.4%	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, 2007 (Note 1)	
			Amount	Percent (2)
2002	2003	11,010,747	10,845,912	98.50%
2003	2004	11,539,756	11,450,965	99.23%
2004	2005	11,939,893	11,769,400	98.57%
2005	2006	13,175,689	13,124,085	99.61%
2006	2007	13,506,574	12,369,490	91.58%

- 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	\$ 33,968,131	2.13%
2	New Plan Excel Property	Mount Prospect Plaza -Retail	23,658,205	1.48%
3	Home Properties Colony	Colony Square Apartments	21,395,566	1.34%
4	CRP Holdings	Real Estate	19,499,900	1.22%
5	Golf Plaza	Shopping Center	17,744,319	1.11%
6	Huntington Square	Apartments	11,841,458	0.74%
7	Cummins Allison	Manufacturing	11,722,576	0.73%
8	Costco Property Tax	Commercial Sales Store	10,551,125	0.66%
9	Wal-Mart	Commercial Sales Store	9,475,929	0.59%
10	Lake Center Plaza Partners	Office Building Management	9,365,101	0.59%
			\$ 169,222,310	10.59%

- Notes: 1. Valuations as of January 1, 2006 for 2007 tax purposes.
 2. Total 2006 Village valuation excluding incremental valuation in the Village's tax increment district is \$1,597,430,722.

2000 AND 2006 TAX BASE DISTRIBUTION BY PROPERTY CLASSIFICATION

Classification	Village of Mount Prospect				
	Taxable Valuation			Percent of Total	
	2000	2006	% Increase	2000	2006
Residential	620,188,611	1,048,895,640	69.13%	56.45%	63.97%
Commercial	331,105,694	400,170,222	20.86%	30.14%	24.41%
Industrial	147,076,484	190,150,899	29.29%	13.39%	11.60%
Railroad	206,203	450,150	118.30%	0.02%	0.03%
Total	1,098,576,992	1,639,666,911	49.25%	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 2007 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				2007	
	2003	2004	2005	2006	Budget	Actual
	Revenues:					
Property Taxes	7,600,505	7,965,530	8,420,737	9,648,141	10,050,926	9,896,594
Sales Taxes	7,726,966	7,964,169	8,101,017	8,824,103	8,850,000	8,811,400
State Income Taxes	3,486,711	3,575,784	4,198,734	4,606,804	4,900,000	4,980,054
Licenses, Permits & Fees	3,049,969	2,798,930	2,908,061	3,216,982	3,318,750	3,445,370
Utility Taxes (2)	1,163,059	3,329,756	4,770,080	4,359,595	4,518,000	4,620,256
Charges for Service	772,163	749,216	685,029	1,186,990	1,668,507	1,631,636
Fines & Forfeits	595,170	554,741	581,439	521,473	694,000	720,673
Interest Income	101,446	45,869	177,853	474,141	520,000	479,704
Food & Beverage Tax	485,368	495,486	550,603	621,240	775,000	797,730
Real Estate Transfer Tax	1,006,865	1,143,518	1,515,403	1,082,498	800,000	789,912
All Other Revenues	2,702,241	2,814,413	3,975,816	3,031,405	3,059,040	3,764,388
Total Revenues	\$ 28,690,463	\$ 31,437,412	\$ 35,884,772	\$ 37,573,372	\$ 39,154,223	\$ 39,937,717
Expenditures:						
General Government						
Public Representation Division	100,878	108,884	114,469	116,278	130,480	123,983
Village Manager's Office	1,794,589	2,101,737	1,888,176	2,110,668	2,538,588	2,442,227
Television Services Division	160,691	161,903	206,927	174,164	179,467	164,809
Village Clerk's Office	154,066	163,656	169,130	195,420	209,238	196,054
Finance Department	1,247,596	1,351,088	1,553,967	1,676,743	1,742,730	1,732,616
Community Development - Administration	412,242	53,772	480,608	584,857	635,245	593,980
Benefit Payments	40,294	405,414	50,463	43,609	44,533	44,533
Total General Government	\$ 3,910,356	\$ 4,346,454	\$ 4,463,740	\$ 4,901,739	\$ 5,480,281	\$ 5,298,202
Public Safety:						
Police Department	10,187,424	11,356,202	11,495,443	12,478,295	13,567,976	13,318,324
Fire & Emergency Protection Department	8,310,001	8,866,769	9,383,705	9,930,749	10,411,789	10,549,631
Code Enforcement	594,712	677,550	740,649	758,010	824,582	839,085
Total Public Safety	\$ 19,092,137	\$ 20,900,521	\$ 21,619,797	\$ 23,167,054	\$ 24,804,347	\$ 24,707,040
Highways & Streets	4,699,725	5,212,118	5,344,238	5,506,275	7,417,270	7,299,378
Health	102,381	109,477	115,216	121,031	128,318	119,773
Welfare	965,450	991,991	976,994	1,045,607	1,287,502	1,210,945
Culture & Recreation	-	-	284,229	333,148	352,850	281,737
Transfers Out	-	270,000	821,695	1,207,827	-	12,797
All Other Expenditures	445,184	274,491	-	-	-	-
Total Expenditures	\$ 29,215,233	\$ 32,105,052	\$ 33,625,909	\$ 36,282,681	\$ 39,470,568	\$ 38,929,872
Revenues Over (Under) Expenditures	\$ (524,770)	\$ (667,640)	\$ 2,258,863	\$ 1,290,691	\$ (316,345)	\$ 1,007,845
Adjustments to Fund Balance	-	-	-	-	-	-
Ending Fund Balance	\$ 8,925,154	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068	\$ 11,490,723	\$ 12,814,913

Balance Sheet – December 1

Assets:	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Cash & Investments	\$ 6,160,183	\$ 3,318,126	\$ 5,875,788	\$ 7,038,324	\$ 7,184,546
Receivables					
Property Taxes	8,063,229	8,433,820	9,485,589	9,979,918	10,978,708
Other Taxes	471,965	1,066,353	1,384,025	1,215,146	1,494,634
All Other	147,708	153,558	152,694	222,962	264,615
Due From Other Funds	-	-	1,460,746	1,746,404	1,507,604
Due From Other Governments	2,647,050	2,531,681	2,518,122	2,763,050	3,509,591
All Other Assets	750,413	2,594,923	101,239	73,529	40,910
Total Assets	<u>\$ 18,240,548</u>	<u>\$ 18,098,461</u>	<u>\$ 20,978,203</u>	<u>\$ 23,039,333</u>	<u>\$ 24,980,608</u>
Liabilities & Fund Balance					
Accounts payable	\$ 717,833	\$ 740,968	\$ 310,592	\$ 382,346	\$ 517,801
Deferred Revenues					
Property Taxes	8,063,229	8,433,820	9,485,589	9,979,918	10,418,303
Other	145,132	117,493	-	-	-
Compensated Absences	-	-	-	-	-
All Other Liabilities	389,200	548,666	665,645	870,001	1,229,591
Fund Balance:					
Reserved	146,009	219,694	312,499	73,529	40,610
Unreserved but Designated	-	-	-	-	-
Unreserved and Undesignated	8,779,145	8,037,820	10,203,878	11,733,539	12,774,003
Total Fund Balance	<u>\$ 8,925,154</u>	<u>\$ 8,257,514</u>	<u>\$ 10,516,377</u>	<u>\$ 11,807,068</u>	<u>\$ 12,814,613</u>
Total Liabilities & Fund Balance	<u>\$ 18,240,548</u>	<u>\$ 18,098,461</u>	<u>\$ 20,978,203</u>	<u>\$ 23,039,333</u>	<u>\$ 24,980,308</u>

- Notes:
1. This condensed financial information for the years ending December 31, 2003-2007 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, electricity and gas utility taxes were imposed on March 1, 1994 at a rate of 2%. The telecommunications tax was raised to 3.3% effective October 1, 1997 to pay a portion of the costs of the 10-year Street Improvement Program (1997-2006). The telecommunications tax was further increased to 4.25% on February 2, 2003 and to 6.00% on January 1, 2004.

COMBINED STATEMENT—ALL FUNDS (Note 1)

**Fund Balances 2003-2006 and Summary 2007 Revenues, Excess Revenues and Fund Balance
(Fiscal Years Ended December 31)**

	Fiscal Year Ended December 31, 2007								
	2003	2004	2005	2006	Revenue Incl. Transfers		Revenue Over (Under) Expenditures	Fund Balance	
					Property Tax	Total			
Governmental Fund Types (2):									
General Fund *	\$ 8,925,154	\$ 8,257,514	\$ 10,516,377	\$ 11,807,068	\$ 9,896,594	\$ 39,937,717	\$ 1,007,845	\$ 12,814,913	
Special Revenue Funds:									
Motor Fuel Tax	\$ 1,619,640	\$ 1,044,565	\$ 864,995	\$ 537,303	\$ -	\$ 1,705,334	\$ (200,156)	\$ 337,147	
Community Development Block Grant	-	-	-	-	-	575,176	-	-	
Local Law Enforcement Block Grant	163	163	163	163	-	612	(163)	-	
Refuse Disposal *	2,084,901	1,895,701	1,686,784	1,980,777	1,943,499	4,166,123	183,349	2,164,126	
Asset Seizure	49,000	49,605	59,731	74,769	-	16,133	2,551	77,320	
DEA shared Funds	67,127	82,434	53,563	49,493	-	1,486	(11,816)	37,677	
DUI Fines	11,750	22,765	17,208	35,774	-	21,383	(5,529)	30,245	
Foreign Fire Tax Fund	-	-	-	52,533	-	38,106	28,339	80,872	
Total Special Revenue	\$ 3,832,581	\$ 3,095,233	\$ 2,682,444	\$ 2,730,812	\$ 1,943,499	\$ 6,524,353	\$ (3,425)	\$ 2,727,387	
Debt Service *	790,066	36,785	419,317	465,990	2,422,646	3,808,234	(371,592)	94,398	
Capital Projects (3)	10,931,550	1,946,881	3,575,154	4,428,063	1,476,348	3,402,805	422,470	4,850,533	
Total Governmental	\$ 24,479,351	\$ 13,336,413	\$ 17,193,292	\$ 19,431,933	\$ 15,739,087	\$ 53,673,109	\$ 1,055,298	\$ 20,487,231	
Proprietary & Fiduciary Fund Types									
Enterprise Funds (4):									
Water and Sewer *	\$ 23,820,721	\$ 23,187,112	\$ 23,266,233	\$ 24,309,160	\$ 1,504,501	\$ 10,651,459	\$ 1,811,749	\$ 26,120,909	
Village Parking System	672,772	545,974	389,081	184,903	-	213,757	(34,830)	150,073	
Internal Service Funds (5)	11,077,176	11,111,089	11,867,059	13,123,794	-	9,601,629	1,535,974	14,659,768	
Pension Trust Funds:									
Police Pension	33,520,535	35,616,429	37,284,536	40,084,647	-	5,397,858	2,878,538	42,963,185	
Firefighter's Pension	35,111,867	36,729,420	38,091,422	40,166,885	-	5,533,044	2,863,296	43,030,181	
Total Proprietary & Fiduciary	\$ 104,203,071	\$ 107,190,024	\$ 110,898,331	\$ 117,869,389	\$ 1,504,501	\$ 31,397,747	\$ 9,054,727	\$ 126,924,116	
Discreetly Presented Component Unit:									
Mount Prospect Public Library	\$ 15,276,022	\$ 2,787,862	\$ 3,411,784	\$ 4,020,453	\$ 7,058,264	\$ 7,593,117	\$ 151,493	4,171,946	
Total All Funds (Memo Only)	\$ 143,958,444	\$ 123,314,299	\$ 131,503,407	\$ 141,321,775	\$ 24,301,852	\$ 92,663,973	\$ 10,261,518	\$ 151,583,293	

* Designated as major funds.

	2003	2004	2005	2006	2007
Cash & Investments at 12/31 (6):					
General Fund	\$ 6,160,183	\$ 3,318,126	\$ 5,875,788	\$ 7,038,324	\$ 7,184,546
Internal Service Funds	7,743,331	8,008,658	8,582,358	10,073,099	10,820,995
Refuse Disposal	2,045,852	1,853,904	1,641,568	1,795,604	1,853,585
Other Special Revenue Funds	1,683,973	1,260,991	925,308	1,491,014	1,175,936
Debt Service Funds	825,745	656,071	347,754	556,087	370,799
Subtotal	\$ 18,459,084	\$ 15,097,750	\$ 17,372,776	\$ 20,954,128	\$ 21,405,861
Capital Project Funds	12,621,000	3,531,328	4,215,628	4,817,224	4,671,780
Water & Sewer	4,359,412	4,055,950	3,609,877	3,911,189	4,342,452
Other Enterprise Funds	409,383	286,037	257,872	70,894	104,143
Pension Trust Funds	68,180,466	71,890,396	75,042,504	79,774,305	85,551,369
Other Fiduciary Funds	1,373,805	1,304,814	1,288,931	1,711,374	2,033,936
Discreetly Presented Component Unit (7)	16,902,429	4,056,054	4,068,222	4,484,981	4,544,340
Total	\$ 122,305,579	\$ 100,222,329	\$ 105,855,810	\$ 115,724,095	\$ 122,653,881

Notes: 1. This condensed financial information for the years ending December 31, 2003-2007 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, 2007 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, 2003-2006. 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, 2007, 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.

7. For calendar year 2003 cash & investments include proceeds from the sale of \$20,500,000 General Obligation Library Bonds, Series 2002, dated June 1, 2002. An intergovernmental agreement between the Village and the Mount Prospect Library requires the Library to levy taxes sufficient to cover 100% of the debt service on the Series 2002 Library Bonds.

CAPITAL ASSETS (Note)
(December 31, 2007)

	Governmental Activities		Business Type Activities
Capital Assets Not Being Depreciated		Capital Assets Not Being Depreciated	
Land	\$ 8,383,723	Land	\$ 196,404
Total Assets Not Being Depreciated	\$ 8,383,723	Total Assets Not Being Depreciated	\$ 196,404
Capital Assets Being Depreciated		Capital Assets Being Depreciated	
Buildings	\$ 27,429,229	Buildings and Improvements	\$ 6,472,072
Improvements Other Than Buildings	1,536,100	Equipment	3,229,893
Infrastructure and All Other	58,639,778	Infrastructure	38,039,248
Total Capital Assets Being Depreciated	\$ 87,605,107	Total Capital Assets Being Depreciated	\$ 47,741,213
Less Accumulated Depreciation	\$ 50,468,945	Less Accumulated Depreciation	\$ 28,499,945
Total Capital Assets Being Depreciated, Net	\$ 37,136,162	Total Capital Assets Being Depreciated, Net	\$ 19,241,268
Net Assets	\$ 45,519,885	Net Assets	\$ 19,437,672

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.