

Village of Mundelein, Illinois

Comprehensive Annual Financial Report
Year ended April 30, 2007

Prepared by Finance Department:

Village of Mundelein, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2007

TABLE OF CONTENTS

	<u>Page(s)</u>
Introductory Section	
Officers and Officials	i
Organization Chart	ii
Letter of Transmittal	iii - vi
Certificate of Achievement for Excellence in Financial Reporting	vii
Financial Section	
Independent Auditor's Report	1
Management's Discussion and Analysis	2 - 12
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	13 - 14
Statement of Activities	15 - 16
Fund Financial Statements	
Balance Sheet – Governmental Funds	17
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Net Assets –Enterprise Fund	21
Statement of Revenues, Expenses, and Changes in Net Assets – Enterprise Fund	22
Statement of Cash Flows – Enterprise Fund	23 - 24
Statement of Fiduciary Net Assets – Pension Trust Funds and Agency Funds	25
Statement of Changes in Fiduciary Net Assets – Pension Trust Funds	26
Notes to Basic Financial Statements	27 - 52
Required Supplementary Information (Unaudited)	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	53
Analysis of Funding Progress	
Illinois Municipal Retirement Fund	54
Police Pension Fund	55
Firefighters' Pension Fund	56

Village of Mundelein, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2007

TABLE OF CONTENTS

	<u>Page(s)</u>
Financial Section (Continued)	
Required Supplementary Information (Unaudited) (Continued)	
Employer Contributions	
Illinois Municipal Retirement Fund	57
Police Pension Fund	58
Firefighters' Pension Fund	59
Note to Required Supplementary Information	60
Supplemental Data (Combining and Individual Fund Financial Statements and Schedules, Budgetary Schedules, and Schedules of Capital Assets Used in the Operation of Governmental Funds)	
Governmental Funds	
General Fund	
Schedule of Expenditures – Budget and Actual - by Function and Object	61 - 66
Combining Balance Sheet – Nonmajor Special Revenue Funds	67 - 68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	69 - 70
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	
Road and Bridge Fund	71
Illinois Municipal Retirement Fund	72
Social Security Fund	73
Train Station Parking Fund	74
Motor Fuel Tax Fund	75
911 Surcharge Fund	76
Mundelein Crossing Occupational Tax Special Fund	77
Dive Boat Fund	78
Transportation Fund	79
Capital Development Fund	80
Stormwater Management Fund	81
Tree Fund	82
Tax Increment Finance Area #2 Fund	83
Supervalu Occupational Tax Special Fund	84
Major Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Obligation Bond Fund	85

Village of Mundelein, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2007

TABLE OF CONTENTS

	<u>Page(s)</u>
Financial Section (Continued)	
Supplemental Data (Continued)	
Major Capital Projects Fund	
Schedule of Revenues, and Changes in Fund Balances - Budget and Actual – Capital Projects Fund	86
Enterprise Fund	
Schedule of Net Assets – By Department – Enterprise Fund	87
Schedule of Revenues, Expenses and Changes in Net Assets – By Department–Enterprise Fund	88
Schedule of Operating Revenues and Expenses and Nonoperating Revenues/Expenses – Budget and Actual – Waterworks and Sewerage Fund	89
Schedule of Operating Expenses – Budget and Actual - Waterworks and Sewerage Fund	90 - 93
Fiduciary Funds	
Combining Statement of Fiduciary Net Assets - Pension Trust Funds	94
Combining Statement of Changes in Fiduciary Net Assets - Pension Trust Funds	95
Schedule of Changes in Fiduciary Net Assets - Budget and Actual	
Police Pension Fund	96
Firefighters' Pension Fund	97
Combining Statement of Assets and Liabilities – Agency Funds	98
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	99-101
Capital Assets Used in the Operation of Governmental Funds	
Schedule by Capital Assets Fund	102
Schedule by Function and Activity	103
Schedule of Changes by Function and Activity	104
Other Supplemental Data	
General Obligation Bond Series of 1998	105
General Obligation Bond Series of 1999	106
General Obligation Bond Series of 2005	107
Illinois Environmental Protection Agency Loan	108
Schedule of Insurance in Force	109

Village of Mundelein, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2007

TABLE OF CONTENTS (Continued)

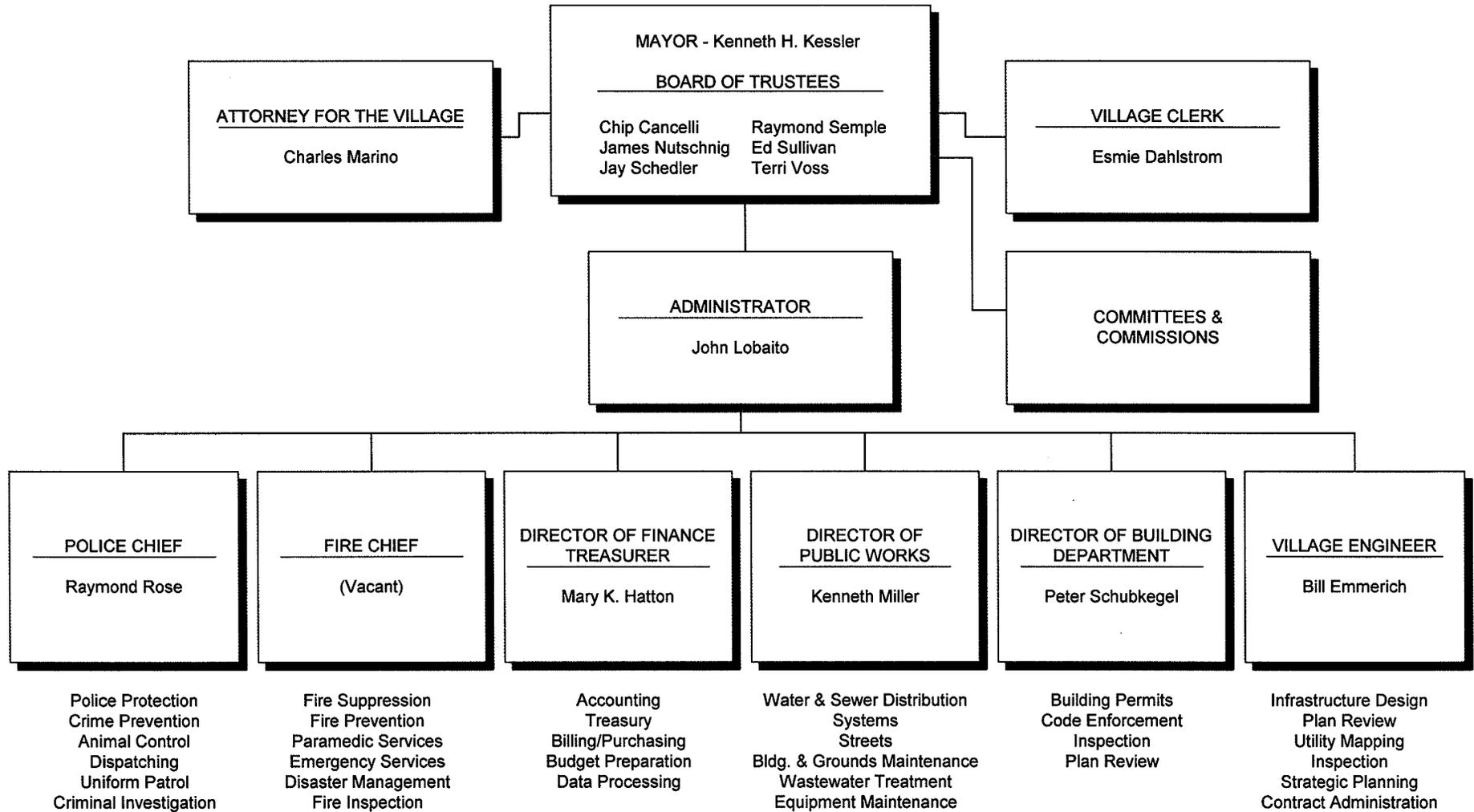
	<u>Page(s)</u>
Statistical Section (Unaudited)	
Financial Trends	
Net Assets by Component – Last Four Fiscal Years	110
Changes in Net Assets – Last Four Fiscal Years	111-112
Fund Balances of Governmental Funds – Last Four Fiscal Years	113
Changes in Fund Balances of Governmental Funds – Last Four Fiscal Years	114
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property – Last Ten Levy Years	115
Property Tax Rates – Direct and Overlapping Governments – Last Ten Levy Years	116
Principal Property Taxpayers – Last Two Tax Years	117
Property Tax Levies and Collections – Last Ten Levy Years	118
Taxable Sales by Category – Last Ten Calendar Years	119
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	120
Property Tax Assessed Valuations, Rates and Extensions – Last Ten Levy Years	121-122
Debt Capacity	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	123
Ratios of General Bonded Debt Outstanding – Last Four Fiscal Years	124
Direct and Overlapping Governmental Bonded Debt	125
Schedule of Legal Debt Margin	126
Demographic and Economic Information	
Demographic and Economic Information – Last Ten Fiscal Years	127
Principal Employers – Last Two Fiscal Years	128
Full-Time Equivalent Employees – Last Ten Budget Years	129
Operating Information	
Operating Indicators – Last Three Calendar Years	130
Capital Asset Statistics – Last Three Fiscal Years	131
Miscellaneous Statistics – Waterworks and Sewerage Fund	132
Equalized Assessed Valuation	
Number of Residential Units and Equalized Assessed Value – By Subdivision	133
Number of Taxpayers, Equalized Assessed Value and Property Taxes Billed – By Zoning Classification	134
Equalized Assessed Value Per Township by General Zoning Classification	135
Property Value and Construction – Last Ten Calendar Years	136
Mundelein Tax Increment Finance Area #2 TIF Incremental Increase – Last Four Levy Years	137

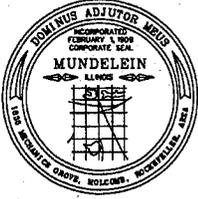
Village of Mundelein, Illinois

Officers and Officials
April 30, 2007

<u>Title</u>	<u>Name</u>
Mayor	Kenneth H. Kessler
Trustee	Jonathan J. Schedler
Trustee	Terry Voss
Trustee	Steven G. Cancelli
Trustee	Raymond T. Semple
Trustee	Edwin O. Sullivan
Trustee	James J. Nutschig
Village Clerk	Esmie M. Dahlstrom
Village Administrator	John Lobaito
Director of Finance	Mary K. Hatton
Police Chief	Raymond J. Rose
Fire Chief	(Vacant)
Village Engineer	William M. Emmerich
Community Development Director	John A. Lobaito
Director of Public Works	Kenneth A. Miller

**ORGANIZATIONAL CHART
PRINCIPAL OFFICERS
04-30-07**





VILLAGE OF MUNDELEIN

Kenneth H. Kessler, President

Mary K. Hatton, Finance Director

440 East Hawley Street
Mundelein, IL 60060
www.mundelein-il.org

Telephone: (847) 949-3200
Fax: (847) 949-2153
info@mundelein-il.org

August 17, 2007

To the President and Board of Trustees, the Citizens of
the Village of Mundelein, and all interested parties:

The Comprehensive Annual Financial Report (CAFR) of the Village of Mundelein, Illinois for the fiscal year ended April 30, 2007 is hereby submitted. The purpose of this report is to provide citizens, investors, grantor agencies and any interested parties with reliable financial information about the Village. The report has been prepared in accordance with generally accepting accounting principles (GAAP) and with standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers' Association of the United States and Canada, the State of Illinois Comptroller's Office and the State of Illinois. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including disclosures, rests with the Village of Mundelein. The Village believes the report, and data contained herein, to be accurate in all material respects and that it gives an accurate representation of the financial position and results of operations of the funds and account groups of the Village as of, and for the year ended, April 30, 2007. All disclosures regarding the Village's financial position necessary to enable the reader to understand the Village's financial activities have been included.

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. These controls are designed to assure that the assets of the Village are safeguarded against any material loss, theft or misuse. These controls assure that the financial statements are in conformity with generally accepted accounting principles. Internal account controls are designed to provide reasonable, but not absolute, assurances that control objectives will be met. The concept of reasonable assurances recognized that (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits require estimates and judgment by Management.

The Village of Mundelein's management discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

For financial reporting purposes, this report includes all the funds of the Village of Mundelein, as well as its component units. Component units are legally separate entities for which the Village is financially accountable. Other governmental entities, which are located within the Village's boundaries, are not included because they do not meet the criteria for inclusion as set forth by generally accepted accounting principles.

Economic Outlook

The Village of Mundelein is a home rule municipality under Illinois law located approximately 35 miles northwest of downtown Chicago and encompasses approximately 9.5 square miles. The Village was settled in 1835 and incorporated in 1909. The Village provides a number of general governmental services. Specifically, the

Village provides police protection, fire protection, emergency medical services, maintenance of streets, building and zoning, code enforcement, water distribution, wastewater treatment, and general administrative services.

The Village utilizes a multi-year Capital Improvement Plan (CIP) to address major capital and infrastructure improvements. For a project to be included in the CIP, it must involve the creation or purchase of a tangible asset with an original cost of \$20,000 and a useful life of more than one year. Projects that are programmed for the first year of the CIP (i.e., the upcoming budget year) are most closely scrutinized in the capital planning process because associated funding must be provided in that year. Capital grants are sought at the state and local levels for eligible projects.

The Village has adopted a cash and investment policy with the objective to invest public funds such that the highest investment return with the maximum security is obtained while meeting the daily cash flow demands of the Village and conforming to all state statutes governing the investment of public funds. The Village has engaged professional fixed income portfolio managers to assist in meeting our objective.

The economic condition of the Village of Mundelein remains strong. The outlook for continued economic growth is positive. There was one annexation to the Village this year. A two-acre parcel at the intersection of Rt. 60/83 and Rt. 176 was annexed for the development of a Walgreen's store. Land remains available for commercial and residential development, both within the Village boundaries and adjacent thereto. New housing projects have slowed, but a variety of residential projects are under construction. Residential growth to the west of Mundelein has continued to spur commercial development in the Rt.60/83 corridor. The Mundelein Crossing shopping center continued to add new tenants. Mundelein Town Center development is proceeding through the development process. Commercial and Industrial vacancy rates are reasonable.

This year has been a busy one for residential construction. Two significant projects are underway—the Grand Dominion Del Webb retirement community and the Cardinal Square high-rise, condominiums. Both projects will begin occupancies in the 3rd quarter of 2007. These projects will have a positive economic impact on the Village. The Cardinal Square project will be a stimulus for continued re-development in the Downtown.

Commercial development at the Mundelein Crossing shopping center continued this year with the addition of Best Buy. Sysmex Inc. completed construction of a 50,000 square foot production facility; ConWay Freight added a 23,350 square foot addition; Technical Concepts added 32,400 square feet; and Medline Inc. announced plans to add manufacturing space, and additional jobs, to its Mundelein plant.

Major Initiatives

Fiscal Year End 2007 was a year of marked contrasts, particularly with respect to housing projects. Six residential projects were approved, but only two proceeded to construction. A cooling of the housing market nationally has been a factor. Nonetheless, new housing construction clearly remains the major initiative for the Village of Mundelein, and promises to add value to the community. The noteworthy detail about housing development in Mundelein is its diversity. The Del Webb retirement community, Grand Dominion, in an age restricted, "gated" community environment. Other projects included Cardinal Square—high-rise condominium units in downtown; Lake Ridge—town homes in the Diamond Lake neighborhood; and Tall Grass Ridge—traditional single family homes.

The commercial retail sector was also marked by contrasts. As Mundelein Crossing added new stores, the Rubloff Town Center project was moving toward PUD approval. Together, Mundelein Crossing and Rubloff Town Center will combine for over 1 million square feet of retail space. A third major initiative a 24-acre mixed

use (commercial/office/residential) development in the downtown is in the planning stages. Site-specific plans for stormwater control, traffic and design standards were completed this year.

The formulation of a Competitive Video Services Agreement with AT&T Inc., and the start of construction on the AT&T phone system upgrade, was completed this year. The agreement, finalized in February 2007, allowed the Village of Mundelein to become one of the first communities in Illinois to open the cable TV market to competition. The upgrade should be completed in the final quarter of 2007 with new service options available soon thereafter.

The Mundelein Police Department completed its bi-annual re-accreditation process. The Commission on Accreditation administers this exhaustive process for Law Enforcement Agencies (CALEA). It requires law enforcement agencies to comply with state-of-the-art standards in a full range of law enforcement functions, including policies and procedures, administrative operations and support services. The Mundelein Police Department was first accredited in July 2001.

Department Focus

Each year a Village department is highlighted in this section. This year, the Building Department has been selected for review.

The primary function of the Building Department is to maintain the public health, safety and welfare during building construction and renovation activities, and to preserve an acceptable appearance and property value of existing housing through efficient building and appearance code enforcement. The Building Department issues all building permits, reviews building plans, grants occupancy permits, maintains property records, licenses contractors, and makes recommendations with respect to the revision of Village building codes based on national and state standards. Building inspectors conduct all inspections relative to the construction process— foundation, framing, electrical, plumbing, etc.

In October 2006 the Planning and Zoning functions were reorganized into the Administration Department under the direction of the Village Administrator, and the Building Department was created as a separate Department once again, under the leadership of the Building Commissioner. The Building Department consists of nine employees: the Building Commissioner, the department secretary, a code enforcement officer, four building inspectors, (one of which is a licensed state plumber) and two office clerks.

Citizen complaints regarding property maintenance, building construction, overcrowding, graffiti, performance of contractors, operating a business in a residence, etc. are handled by the Building Department. Each complaint must be investigated and monitored to assure compliance with the Village Code. The Building Department works closely with the Administrative Hearing Officer to enforce the codes and achieve compliance. The Building Department enforces the 2000 International Building code, the 1999 National Electrical Code, the State of Illinois Plumbing Code, and the State of Illinois Accessibility Code as part of its daily duties.

The Building Department is the contact point for contractors, developers and residents doing work in the Village. This year the department issued 193 new housing permits, more than 1,100 miscellaneous building permits (decks, roofs, patios, pools, fences, remodeling etc.), and investigated 1,184 code complaints.

Over the past year the department has begun the conversion to a new database application for the issuance, tracking, and storage of building permit information, which is making the department less reliant on paper records.

OTHER INFORMATION

Independent Audit. State statute requires an annual audit by independent certified public accountants. The firm of McGladrey & Pullen, LLP was selected by the Village's audit committee to conduct the 2007 fiscal year audit. The Village did not have grants in sufficient amounts to require compliance with the federal Single Audit Act and related OMB Circular A-133. The auditors' report is included in the financial section of the report.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting for fiscal year ending April 30, 2006. This was the eleventh year that the Village has made application for, and received, this prestigious award.

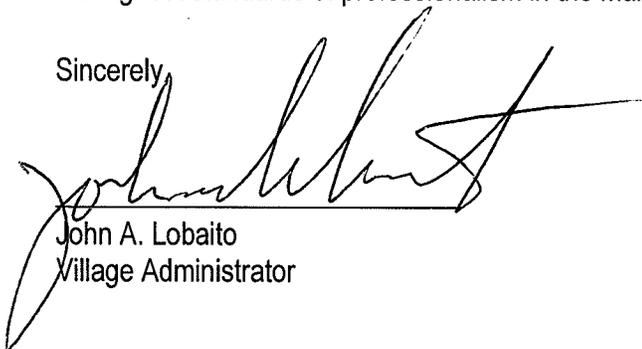
In order to be awarded a Certificate of Achievement, the Village published an easily readable, and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

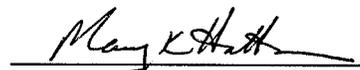
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In particular, we would like to recognize the effort of Sarah Potempa, Assistant Finance Director for her efforts in coordinating all of the audit and report preparation activities.

In closing, credit must be given to the President and Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Mundelein's Finances.

Sincerely,



John A. Lobaito
Village Administrator



Mary K. Halton
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Mundelein
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 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.



President

Executive Director

INDEPENDENT AUDITOR'S REPORT

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

The Honorable Village President
Members of the Board of Trustees
Village of Mundelein, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Mundelein Illinois, as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Mundelein, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, each major fund and the aggregate remaining fund information of the Village of Mundelein, Illinois, as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 2 - 12), budgetary comparison information (page 53) and pension related information (pages 54 - 59) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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 basic financial statements of the Village of Mundelein, Illinois. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplemental data, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Schaumburg, Illinois
September 28, 2007

**VILLAGE OF MUNDELEIN, ILLINOIS MANAGEMENT'S
DISCUSSION AND ANALYSIS
April 30, 2007**

The Village of Mundelein (the "Village") discussion and analysis is designed to (1) assist the reader in focusing on significant financial 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 appropriation), 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 and the Village's financial statements.

Financial Highlights

- The Village's net assets (see table 1) increased by \$8.3 million (or 6.5%) during the fiscal year ending April 30, 2007 (FYE07). The governmental net assets increased by \$9.2 million from FYE 06 and the business-type activities net assets decreased by \$0.9 million from FYE 06.
- The Village's total change in net assets (see table 2) increased by \$6.6 million compared to FYE06. The general government activities change in net assets increased by \$7.2 million and the business-type activities change in net assets decreased by \$0.6 million.
- The governmental activities revenue increased by \$9.1 million (or 36.0%). The expenses increased by \$1.9 million (or 8.2%). The contributions remained unchanged.
- The business-type activities revenues decreased by \$0.8 million (or 10.1%). The expenses decreased by \$0.2 million (or 2.4%). The contributions remained unchanged.
- The total cost of all Village programs increased by \$1.7 million (or 5.4%).

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The 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 13-16) are designed to be corporate like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates 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 15-16) is focused on both the gross and net cost of various activities (including governmental, 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, engineering, community development, and administration. Shared state sales, local sales and shared

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

state income taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water and Wastewater), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than (the previous model's) fund types.

The Governmental Major Fund (see pages 17-20) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the appropriation) 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 appropriation compliance associated therewith.

The Fund Financial Statements also allow the government to address its Fiduciary Fund (Police and Firefighter's Pensions, see pages 25-26). While this Fund represents 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 Total column on the Business-type Fund Financial Statements (see pages 21-24) is the same as the Business-type column at 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 18 and 20). 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 - roads, bridges, storm sewers, etc.) has not been reported nor depreciated in governmental financial statements. GASB 34 requires that these assets be valued and reported within the Governmental 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 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 lives 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.

Financial Analysis of the Village as a Whole

In accordance with GASB Statement No. 34, the Village has presented a comparative analysis of Government-wide information.

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

The Village's combined net assets increased by \$8.3 million from FYE06 – increasing from \$127.4 million to \$135.7 million. The following analysis will look at net assets and net expenses of the governmental and business-type activities separately. The total net assets for the governmental activities increased by

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

\$9.2 million from \$87.7 to \$96.9 million. The total net assets for business-type activities decreased by \$0.9 million from \$39.7 million to \$38.8 million.

Table 1 reflects the condensed Statement of Net Assets compared to FYE06. Table 2 will focus on the changes in net assets of the governmental and business-type activities.

**Table 1
Statement of Net Assets
As of April 30, 2007
(In millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current assets	36.6	29.4	9.2	9.6	45.8	39.0
Capital assets	<u>90.4</u>	<u>87.7</u>	<u>34.0</u>	<u>34.7</u>	<u>124.5</u>	<u>122.4</u>
Total assets	127.0	117.1	43.2	44.3	170.3	161.4
Current liabilities	13.8	13.0	1.2	1.2	15.0	14.2
Other liabilities	<u>16.3</u>	<u>16.4</u>	<u>3.2</u>	<u>3.4</u>	<u>19.5</u>	<u>19.8</u>
Total liabilities	30.1	29.4	4.4	4.6	34.5	34.0
Net assets:						
Invested in capital assets, net of debt	74.0	70.6	30.6	31.0	104.6	101.6
Restricted	8.6	8.4	6.0	7.4	14.6	15.8
Unrestricted	<u>14.3</u>	<u>8.7</u>	<u>2.2</u>	<u>1.3</u>	<u>16.5</u>	<u>10.0</u>
Total net assets	96.9	87.7	38.8	39.7	135.7	127.4

For more detailed information see the Statement of Net Assets (page 13 -14).

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 Non-borrowed 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.

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Current Year Impacts

The Village's \$8.3 million increase in combined net assets (which is the Village's bottom line) was the result of governmental activities net assets increasing by \$9.2 million and the business-type activities net assets decreasing by \$0.9 million. The governmental activities total assets increased by \$9.9 million and the governmental activities total liabilities increased by \$0.7 million. The change in total assets was the result of an increase of \$7.2 million in current and other assets and a \$2.7 million increase in capital assets. The change in total asset results predominantly from increases in cash and investments. The change in capital assets results predominantly from adds to construction in progress for the west-side water facilities improvements and the current street improvement project.

The increase in governmental activities total liabilities was the result of an increase in current liabilities of \$0.8 million and a decrease in other liabilities of \$0.1 million. The current liabilities change was predominantly the result of increased accounts payable. The other liabilities change was the result of the retirement of GO Bond series 1991 and 1992. The use of restricted net assets for governmental activities is governed by state statute or Village ordinance. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, increased by \$5.6 million.

The net assets for business-type activities decreased by \$0.9 million. The business-type total assets decreased by \$1.1 million and the business-type activities total liabilities decreased by \$0.2 million. The change in total assets was the result of a decrease of \$0.4 million in current and other assets and a decrease of \$0.7 million capital assets. The change in total assets results predominantly from a decrease in cash and investments and a decrease due to depreciation in capital assets. The change in total liabilities results predominantly from a decrease in the IEPA Loan non-current payable balance. Restricted net assets for business-type activities can only be used to finance additions to, expansion of, or replacement of capital assets. The Village's unrestricted net assets, the part of net assets that can be used to finance day-to-day operation of its water and wastewater utility program, increased by \$0.9 million.

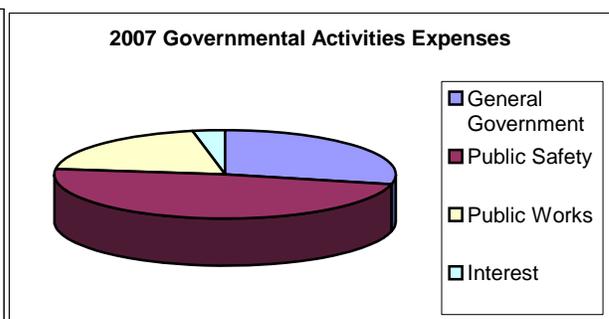
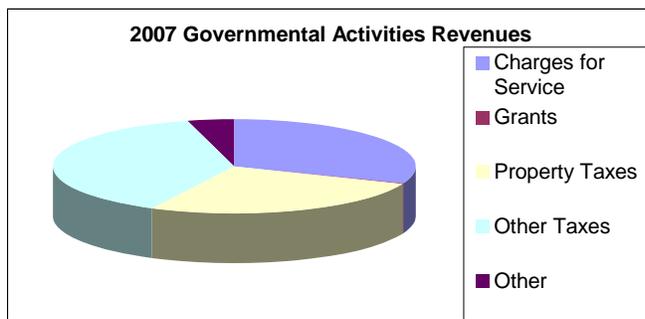
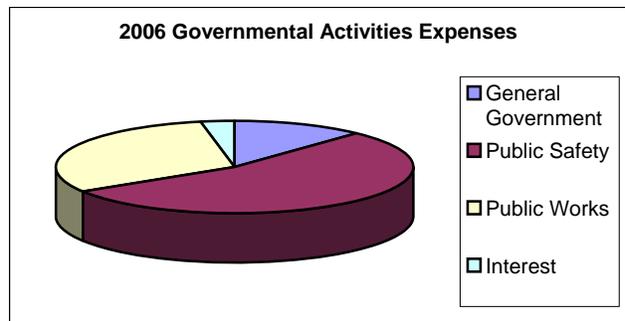
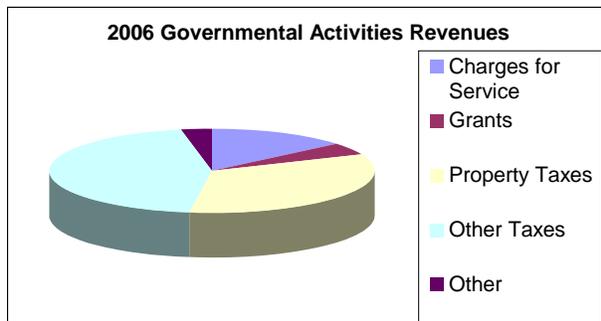
The following chart shows the revenue and expenses of the governmental activities.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2007
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<i>Revenues</i>						
Program revenues:						
Charges for services	7.8	3.5	6.0	6.4	13.8	9.9
Operating grants and contributions	0.1	1.2	0.0	0.0	0.1	1.2
Capital grants and contributions	2.8	0.0	0.1	0.3	2.9	0.3
General revenues:						
Property Taxes	9.1	8.5	0.0	0.0	9.1	8.5
Other Taxes	13.2	11.3	0.0	0.0	13.2	11.3
Other	<u>1.4</u>	<u>0.8</u>	<u>1.0</u>	<u>1.2</u>	<u>2.4</u>	<u>2.0</u>

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Total revenues	34.4	25.3	7.1	7.9	41.5	33.2
Expenses						
<i>General Government</i>	6.8	2.8	0.0	0.0	6.8	2.8
<i>Public Safety</i>	12.3	12.6	0.0	0.0	12.3	12.6
<i>Public Works</i>	5.3	7.2	8.0	8.2	13.3	15.4
<i>Interest on Debt</i>	<u>0.8</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.8</u>	<u>0.7</u>
Total expenses	25.2	23.3	8.0	8.2	33.2	31.5
Excess (Deficiency) before Contributions	9.2	2.0	(0.9)	(0.3)	8.3	1.7
Contributions	0.0	0.0	0.0	0.0	0.0	0.0
Transfers in (out)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Assets	<u>9.2</u>	<u>2.0</u>	<u>(0.9)</u>	<u>(0.3)</u>	<u>8.3</u>	<u>1.7</u>
Ending Net Assets	<u>96.9</u>	<u>87.7</u>	<u>38.8</u>	<u>39.7</u>	<u>135.7</u>	<u>127.4</u>



Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

Economic Condition which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and home-rule sales tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

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, wastewater, impact fee, building fees, home rule sales tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring) - 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 longer average maturity than most governments and the market condition may cause investment income to fluctuate more than alternative shorter-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.

Increase in Authorized Personnel - changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent significant portions of the Village's operating cost.

Salary Increases (annual adjustments and merit) - the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation while overall inflation appears to be reasonably modest; the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

Revenue:

Total revenues increased \$9.1 million from \$25.3 to \$34.4 million.

The Governmental activities program revenues for charges for service increased \$4.3 million predominantly the result of development related activities including reimbursement from developers for plan review expenditures, and inspections; receipt of development impact fees; and a negotiated video franchise fee. The Program revenues for capital grants and contributions increased \$2.8 million, which was the result of a capital contribution received from the developer of the Grand Dominion subdivision.

The governmental activities general revenue includes property taxes, and other taxes (sales tax, home-rule sales tax, hotel-motel tax, and state shared income tax). Property taxes increased \$0.6 as a result of increases needed for Police Pension, Firefighter Pension, Illinois Municipal Retirement Pension and Social Security retirement costs for the Village. The Equalized Assessed Value (EAV) increased 5.8% to \$852,237,899. The new construction portion of the EAV increase was 1.7% with the balance attributed to general market reassessment changes. The Village increased the home-rule sales tax rate from $\frac{3}{4}$ % to 1% effective 7-1-2006. In addition, telecommunication tax increased due to a rate increase from 1% to 4.5% effective 7-1-2006.

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Expenses:

The Village's Governmental Activities total expenses increased by \$1.9 million from \$23.3 to \$25.2 million.

The Village's General Government function expenses increased by \$4.0 million. The expenses consist of actual expenditures for the general government fund and other governmental funds, the amount of capital assets subtracted out, the amount of depreciation added and the change in long-term debt for compensated absences. The net change in capitalized assets for the governmental function expenses between FYE06 and FYE07 was \$2.7 million. This resulted predominantly due to construction projects for street reconstruction and west-side infrastructure improvements being added to construction in progress. Personnel service costs increased due to the general wage increase of 3% given in May 2006, the addition of budget personnel positions and the increase in-group health insurance costs of 10%.

The Village's Public Safety function expenditures decreased by \$0.3 million. Personnel services costs increased due to the general wage increase of 3% given in May 2006, the addition of budget personnel positions and the increase in-group health insurance costs of 10%. Other economies were achieved which resulted in the overall decrease.

The Village's Public Works function expenditures decreased by \$1.9 million. Personnel services costs increased due to the general wage increase of 3% given in May 2006 and the increase in-group health insurance costs of 10%. Other economies and changes in capital projects resulted in the overall decrease.

Due to low levels of unemployment and high demand for skilled employees in the region, it is important that the Village provide competitive compensation levels for its employees. An annual salary survey is conducted and pay scales adjusted. A 3% cost of living adjustment was made to the pay scale in May 2006.

Business-type Activities

Revenues:

Total Business-type Activity revenues decreased \$0.8 million from \$7.9 to \$7.1 million.

The Business-type activities program revenues for charges for services decreased \$0.4 million resulting from decreases in water and wastewater user consumption. Operating grants and contributions decreased by \$0.2 million. There were no Program revenues for capital grants and contributions.

Business-type activities general revenue decreased by \$0.2 million and is predominantly the result of a reduction in impact fees received from development for water and wastewater infrastructure improvements.

Expenses:

Total Business-type activity expenditures decreased \$0.2 million from \$8.2 to \$8.0 million.

The Business-type activity expenses include personnel and benefit costs in conjunction with maintenance of infrastructure. Personnel services costs increased due to the general wage increase of 3% in May 2006 and the increase in-group health insurance costs of 10%. Other economies and changes in depreciation expenses resulted in the overall decrease.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

For the fiscal year ended April 30, 2007, the governmental funds reflect a combined fund balance of \$24.6 million, which is an increase of \$5.9 million over the prior year. Included in this year's increase in fund balance includes \$2.8 million in contribution from the developers of Grand Dominion subdivision, and \$1.0 million in motor fuel tax planned for future projects. The primary reason for the General Corporate Fund's increase in fund balance was the planned savings for future capital projects including the developer donation for Westside infrastructure improvements. The fund

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

balance for the General Obligation Bond Fund increased by \$0.2 million resulting from contributions transferred from other funds to reduce future levy requirements. The fund balance of the Capital Projects Fund decreased by \$1.5 million resulting from the progress in completing projects for which the General Obligation Bonds were issued. The fund balance for the Nonmajor Governmental Funds increased by \$2.2 million as a result of planned savings for future capital projects.

Major Governmental Fund

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The Fund balance of the General Fund increased by \$5.1 million due increase in revenues over expenditure including developer contributions, impact fees, annexation fees and building permit related activities. The General Fund revenues increased by \$7.4 million, of which \$2.1 million was from Taxes. Taxes, include property tax, sales tax, home-rules sales tax, hotel-motel tax, and shared state taxes including income and use taxes. Other revenues increased by \$2.5 million due substantively to increased permitting and licensing activities related to development. The \$2.8 million developer contribution added to the revenues. The General Fund expenditures decreased by \$1.3 million, substantially due to Public Works capital project decreases and personnel costs increases.

General Fund Budgetary Highlights

The Village of Mundelein falls under the provisions of 65 ILCS 5/8-2-9 of the Illinois Statutes regarding annual appropriations for municipalities of less than 500,000 inhabitants. The appropriation ordinance is the corporate authority's authorization to expend sums of money deemed necessary to defray all necessary expenses and liabilities of the municipality. As such, the figures presented in this report are Village appropriations but for reporting purposes are titled budget. The appropriation ordinance is derived from and expands upon an annual operating budget approved by the Village Board. The annual operating budget is the internal document used by the Village to control day to day expenditures of the Village and to plan for long-range capital infrastructure improvements. The annual operating budget plus funds on-hand are included in the appropriation totals. During FY07, the Village Board adopted an appropriation transfer ordinance. This Ordinance was primarily for the purpose of transferring appropriation amounts within the fund. The Village Board adopted a supplemental appropriation ordinance due to the receipt of unanticipated additional revenues relating to developer donations. No additional appropriations were made during the year.

General Fund Budget Highlights

General Fund	Original Budget	FY 2007 (in Millions)	
		Amended Budget	Actual
Revenues and Transfers			
Taxes	18.5	18.5	17.7
Other	5.9	5.9	9.0
Transfers	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	24.4	24.4	26.7
Expenditures and Transfers			
Expenditures	25.1	25.9	19.9
Transfers	<u>0.0</u>	<u>0.0</u>	<u>1.7</u>
Total	25.1	26.0	21.6
Change in Fund Balance	<u>(0.7)</u>	<u>(1.6)</u>	<u>5.1</u>

The General Fund actual revenues were \$2.3 million more than the original budget. The Taxes category of revenues was \$0.8 million short of the original budget while the Other category of revenues was \$3.1

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

above of the original budget. The unanticipated developer donation of \$2.8 million accounts for the majority of the difference.

The General Fund actual expenditures were \$5.3 million less than the original budget and \$6.2 million less than the amended budget. During the year the Village began infrastructure improvements necessitated by development activities with revenues received from developer-advanced donations. Continual monitoring and adjustments in actual spending are practiced during each year. For further detailed information see the Schedule of Expenditures – Budget and Actual by Function and Object for the General Fund presented in this combining and individual fund financial statements and schedules.

Capital Assets

At the end of FY07, the Village's Governmental Fund had invested \$90.5 million net of depreciation in a variety of capital assets and infrastructure, as reflected in the following schedule. See Notes to Financial Statement #5 for further detail.

**Table 3
Capital Assets at Year End
Net of Depreciation
(In Millions)**

	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2007	2006	2007	2006	2007	2006
Land	41.0	41.0	1.7	1.7	42.8	42.8
CIP	4.4	0.4	0.9	0.5	5.3	0.9
Buildings	17.3	17.5	16.9	17.4	34.2	34.9
Land Improvements	0.9	1.0	0.0	0.0	0.9	1.0
Machinery & Equipment	1.2	1.0	0.9	0.5	2.1	1.6
Sidewalks	3.6	3.7	0.0	0.0	3.6	3.7
Streets	13.3	14.1	0.0	0.0	13.3	14.1
Traffic Signals	0.1	0.1	0.0	0.0	0.1	0.1
Storm Sewers	8.6	8.8	0.0	0.0	8.6	8.8
Water & Sanitary Sewer	<u>0.0</u>	<u>0.0</u>	<u>13.6</u>	<u>14.6</u>	<u>13.6</u>	<u>14.6</u>
	<u>90.5</u>	<u>87.7</u>	<u>34.0</u>	<u>34.7</u>	<u>124.5</u>	<u>122.5</u>

**Table 4
Change in Capital Assets
(in millions)**

	Governmental Activities	Business – Type Activities	Total Primary Government
Beginning Balance	87.7	34.7	122.5
Additions			
Depreciable	0.7	0.8	1.5
Non-depreciable	0.0	0.0	0.0
CIP	4.1	1.2	5.3
Retirements			
Depreciable	0.0	0.0	0.0
Non-depreciable	0.0	0.0	0.0
CIP	(0.1)	(0.7)	(0.8)
Depreciation	<u>(1.9)</u>	<u>(2.0)</u>	<u>(3.9)</u>
Ending balance	<u>90.5</u>	<u>34.0</u>	<u>124.6</u>

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

Projects added to construction in progress for the Governmental Activities includes Archer Building rehabilitation, 2007 Street Improvements, Winchester Tower, Westside Pressure Zone improvements and CMAQ Bike Path.

Projects retired from construction in progress for the Business-type Activities includes the Aeration Blower replacements, Watermain relocation, and Wastewater Treatment Plant chlorine conversion. Water Well rehabilitation and Wastewater Treatment Plant Wetland Mitigation were added to the Business-Type Activities construction in progress.

Debt Outstanding

In 1991, the Village issued General Obligation Water Bonds. As of April 30, 2007 the Village has paid this issue in full.

In 1992, the Village issued General Obligation Water Refunding Bonds in which an irrevocable trust was established to defeased outstanding 1987 and 1990 series obligations. As of April 30, 2007 the Village has paid this issue in full.

In 1998, the Village issued General Obligation Bonds as the first in a planned three issues to fund the construction of a new fire station, new fire station headquarters and a new police station. In 1999, the Village issued General Obligation Bonds, the second and last issue, relating to the new public safety facilities. As of April 30, 2007 the Village owes \$5 million and \$6.5 million in principal, respectively.

In 2005, the Village issued General Obligation Bonds for general corporate purposes including land acquisition and public improvements. As of April 30, 2007 the Village owes \$4.9 million in principal. The Village of Mundelein sought and received a Moody's rating increase from AA3 to AA2.

In 1998, the Village received an Illinois Environmental Protection Agency Loan under their revolving loan program. As of April 30, 2007 the Village owes \$3.4 million in principal. Since the loan was issued for the acquisition of capital assets for the wastewater system, it is reported as a business-type activity.

The Village, under its home rule authority, does not have a legal debt limit.

Economic Factors

In January 2005, the Village Board created a 99-acre Tax Increment Financing District (TIF) and authorized Tax Increment Financing for the core downtown area surrounding the commuter rail station.

In 2005, the Village Board annexed a 100-acre parcel slotted for a 500,000 sq. ft. retail shopping center across the street from the Mundelein Crossing shopping center. An economic incentive agreement was executed, which provides for the Village to retain the first \$150,000 in new sales taxes and sharing the excess 50/50 with the developer for a 13-year period to a maximum of \$6,000,000 plus interest.

In 2005, the Village Board approved a 10 acre redevelopment agreement within the Tax Increment Financing District for the construction of 541 condominium units with the potential of \$4.5 million in Tier #1 TIF redevelopment project cost notes and \$2.5 million in Tier #2 TIF redevelopment project costs notes to be funded through the tax increment generated in the 10 acre redevelopment project area. A building permit for the first 84-unit condominium building was issued in September 2006.

In 2005, the Village Board annexed a 317-acre development with the potential of 727 single-family residential units in an age-restricted development. One hundred residential building permits were issued in FYE 2007 within this "active adult community" development.

**VILLAGE OF MUNDELEIN, ILLINOIS
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

In July 2006, the Village Board approved a 1.5-acre redevelopment agreement within the Tax Increment Financing District for the construction of 27 town homes with a potential economic incentive of \$331,000 for qualifying redevelopment project costs.

In addition during 2006, the Village approved development agreements for Orchard Meadows, a 70 unit single-family residential development and Belden Place a 90 unit attached single-family residential development.

Per capita income remained constant between 2006 and 2007. The unemployment rate decreased between 2006 and 2007 to 4.2%.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Mary K. Hatton, Finance Director, Village of Mundelein, 440 E. Hawley Street, Mundelein, Illinois 60060.

BASIC FINANCIAL STATEMENTS

Village of Mundelein, Illinois

Statement of Net Assets
April 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets			
Current			
Cash and investments	\$ 23,272,958	\$ 8,081,517	\$ 31,354,475
Receivables			
Property taxes	9,785,919	-	9,785,919
Accounts	318,837	1,040,320	1,359,157
Accrued interest	96,846	31,590	128,436
Inventories	17,218	-	17,218
Due from other governments	2,809,849	-	2,809,849
Prepaid items	296,917	61,513	358,430
Other assets	30,000	-	30,000
Total current assets	<u>36,628,544</u>	<u>9,214,940</u>	<u>45,843,484</u>
Noncurrent			
Capital assets (net of accumulated depreciation)			
Land	41,047,439	1,718,514	42,765,953
Construction in process	4,420,565	876,220	5,296,785
Buildings	17,267,417	16,935,467	34,202,884
Improvements other than buildings	898,542	13,574,039	14,472,581
Machinery and equipment	1,151,835	936,200	2,088,035
Sidewalks	3,601,500	-	3,601,500
Streets, curbs and gutters	13,316,252	-	13,316,252
Traffic signals	128,022	-	128,022
Storm sewers	8,637,675	-	8,637,675
Total noncurrent assets	<u>90,469,247</u>	<u>34,040,440</u>	<u>124,509,687</u>
Total assets	<u>\$ 127,097,791</u>	<u>\$ 43,255,380</u>	<u>\$ 170,353,171</u>

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Net Assets - Continued
April 30, 2007

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current			
Accounts payable	\$ 1,463,529	\$ 795,529	\$ 2,259,058
Accrued payroll	368,879	57,360	426,239
Accrued interest payable	319,692	-	319,692
Refundable deposits	-	81,722	81,722
Deferred property tax revenue	9,775,493	-	9,775,493
Compensated absences payable	560,945	68,338	629,283
Other liabilities	441,270	-	441,270
General obligation bonds payable	850,000	-	850,000
IEPA loan payable	-	254,013	254,013
Total current liabilities	<u>13,779,808</u>	<u>1,256,962</u>	<u>15,036,770</u>
Noncurrent			
Pension benefit obligation	762,892	-	762,892
IEPA loan payable	-	3,157,364	3,157,364
General obligation bonds payable, net	15,597,967	-	15,597,967
Total noncurrent liabilities	<u>16,360,859</u>	<u>3,157,364</u>	<u>19,518,223</u>
Total liabilities	<u>30,140,667</u>	<u>4,414,326</u>	<u>34,554,993</u>
Net Assets			
Invested in capital assets, net of related debt			
	74,021,280	30,629,063	104,650,343
Restricted			
Debt service	450,208	-	450,208
Capital improvements	4,435,507	6,043,153	10,478,660
Other improvements	2,814,420	-	2,814,420
Employee benefits	236,657	-	236,657
Public safety	688,745	-	688,745
Unrestricted	14,310,307	2,168,838	16,479,145
Total net assets	<u>\$ 96,957,124</u>	<u>\$ 38,841,054</u>	<u>\$ 135,798,178</u>

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Activities
Year Ended April 30, 2007

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 6,809,545	\$ 2,889,357	\$ 139,488	\$ -
Public safety	12,265,903	1,615,014	-	-
Public works	5,346,434	3,297,684	-	2,782,928
Interest expense	828,148	-	-	-
Total governmental activities	<u>25,250,030</u>	<u>7,802,055</u>	<u>139,488</u>	<u>2,782,928</u>
Business-type activities				
Waterworks and Sewerage	8,049,192	6,015,578	100,000	-
Total business-type activities	<u>8,049,192</u>	<u>6,015,578</u>	<u>100,000</u>	<u>-</u>
Total	<u>\$ 33,299,222</u>	<u>\$ 13,817,633</u>	<u>\$ 239,488</u>	<u>\$ 2,782,928</u>

General revenues
 Taxes
 Property taxes
 Sales tax
 Home rule sales tax
 Hotel occupation tax
 Income tax
 Use tax
 Road and bridge tax
 911 surcharge tax
 Replacement tax
 Telecommunications tax
 Other taxes
 Investment income
 Miscellaneous
 Total general revenues

Change in net assets
 Net assets - beginning
 Net assets - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (3,780,700)	\$ -	\$ (3,780,700)
(10,650,889)	-	(10,650,889)
734,178	-	734,178
(828,148)	-	(828,148)
(14,525,559)	-	(14,525,559)
-	(1,933,614)	(1,933,614)
-	(1,933,614)	(1,933,614)
(14,525,559)	(1,933,614)	(16,459,173)
9,146,159	-	9,146,159
5,007,065	-	5,007,065
3,588,815	-	3,588,815
336,284	-	336,284
2,416,405	-	2,416,405
405,575	-	405,575
141,923	-	141,923
214,270	-	214,270
120,040	-	120,040
816,302	-	816,302
187,176	-	187,176
1,207,127	431,135	1,638,262
237,854	639,669	877,523
23,824,995	1,070,804	24,895,799
9,299,436	(862,810)	8,436,626
87,657,688	39,703,864	127,361,552
\$ 96,957,124	\$ 38,841,054	\$ 135,798,178

Village of Mundelein, Illinois

Balance Sheet - Governmental Funds
April 30, 2007

	General Fund	General Obligation Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 11,764,842	\$ 769,900	\$ 1,742,828	\$ 8,995,388	\$ 23,272,958
Receivables					
Property taxes	5,838,511	1,366,819	-	2,580,589	9,785,919
Accounts	318,392	-	-	445	318,837
Accrued interest	73,123	-	3,882	19,841	96,846
Inventories	17,218	-	-	-	17,218
Due from other funds	85,000	-	-	309,562	394,562
Due from other governments	2,736,344	-	-	73,505	2,809,849
Prepaid items	296,917	-	-	-	296,917
Total assets	\$ 21,130,347	\$ 2,136,719	\$ 1,746,710	\$ 11,979,330	\$ 36,993,106
Liabilities					
Accounts payable	\$ 555,084	\$ -	\$ 758,766	\$ 149,679	\$ 1,463,529
Accrued payroll	313,246	-	-	55,633	368,879
Deferred property taxes	5,828,085	1,366,819	-	2,580,589	9,775,493
Due to other funds	318,472	-	-	46,090	364,562
Other liabilities	-	-	-	441,270	441,270
Total liabilities	7,014,887	1,366,819	758,766	3,273,261	12,413,733
Fund Balances					
Reserved for inventories	17,218	-	-	-	17,218
Reserved for prepaid items	296,917	-	-	-	296,917
Reserved for Drug Enforcement	36,541	-	-	-	36,541
Reserved for capital and other improvements	-	-	987,944	6,976,944	7,964,888
Unreserved-undesignated					
General fund	13,764,784	-	-	-	13,764,784
Special revenue funds	-	-	-	1,729,125	1,729,125
General obligation bond fund	-	769,900	-	-	769,900
Total fund balances	14,115,460	769,900	987,944	8,706,069	24,579,373
Total liabilities and fund balances	\$ 21,130,347	\$ 2,136,719	\$ 1,746,710	\$ 11,979,330	\$ 36,993,106

See Notes to Financial Statements.

Village of Mundelein, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Assets
April 30, 2007

Total fund balances-governmental funds	\$	24,579,373
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		90,469,247
The net pension liability resulting from contributions in excess of the annual required contribution are not financial resources and, therefore, are not reported in the funds.		(762,892)
Some liabilities reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of:		
Accrued interest payable		(319,692)
General obligation bonds payable		(16,470,000)
Unamortized bond discount		22,033
Compensated absences		(560,945)
Net assets of governmental activities	\$	<u>96,957,124</u>

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2007

	General Fund	General Obligation Bond Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Charges for services	\$ 1,097,158	\$ -	\$ -	\$ 1,685,291	\$ 2,782,449
Licenses and permits	3,304,643	-	-	-	3,304,643
Intergovernmental	-	-	-	926,555	926,555
Grants	139,488	-	-	-	139,488
Donations	2,782,939	-	-	-	2,782,939
Fines and forfeits	730,693	-	-	-	730,693
Fees	-	-	-	57,717	57,717
Property taxes	5,617,754	1,376,315	-	2,152,090	9,146,159
Sales tax	4,654,837	-	-	352,228	5,007,065
Home rule sales tax	3,375,888	-	-	212,927	3,588,815
Hotel occupation tax	336,284	-	-	-	336,284
Income tax	2,416,405	-	-	-	2,416,405
Use tax	405,575	-	-	-	405,575
Road and bridge tax	-	-	-	141,923	141,923
911 surcharge tax	-	-	-	214,270	214,270
Replacement tax	72,690	-	-	47,350	120,040
Telecommunications tax	816,302	-	-	-	816,302
Other taxes	4,333	-	-	182,843	187,176
Investment income	680,014	39,322	110,029	377,762	1,207,127
Miscellaneous	283,915	-	-	-	283,915
Total revenues	26,718,918	1,415,637	110,029	6,350,956	34,595,540
Expenditures					
Current					
General government	5,592,261	-	-	660,101	6,252,362
Public safety	11,388,755	-	-	268,274	11,657,029
Public works	2,882,750	-	3,182,842	1,708,428	7,774,020
Pension contributions	-	-	-	1,451,616	1,451,616
Debt service					
Principal	-	730,000	-	-	730,000
Interest and fiscal charges	-	838,460	-	-	838,460
Total expenditures	19,863,766	1,568,460	3,182,842	4,088,419	28,703,487
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	6,855,152	(152,823)	(3,072,813)	2,262,537	5,892,053
Other financing sources (uses)					
Transfer from other funds	-	300,000	1,567,764	-	1,867,764
Transfer to other funds	(1,777,764)	-	-	(90,000)	(1,867,764)
	(1,777,764)	300,000	1,567,764	(90,000)	-
Net change in fund balances	5,077,388	147,177	(1,505,049)	2,172,537	5,892,053
Fund balances - beginning	9,038,072	622,723	2,492,993	6,533,532	18,687,320
Fund balances - ending	\$ 14,115,460	\$ 769,900	\$ 987,944	\$ 8,706,069	\$ 24,579,373

See Notes to Financial Statements.

Village of Mundelein, Illinois

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended April 30, 2007

Net change in fund balances-total governmental funds	\$ 5,892,053
--	--------------

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation in the current period. (\$4,699,974 current additions less \$1,933,148 depreciation)

	2,766,826
--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenues	(46,074)
-----------------------------	----------

The issuance of long-term debt provides current financial resources, while the repayment of debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal retirement	730,000
Amortization of discount	(1,224)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Loss on disposal of capital assets	(31,674)
Decrease in pension benefit obligation	17,281
Increase in accrued interest payable	11,536
Increase in compensated absences	(39,288)

Change in net assets of governmental activities	<u>\$ 9,299,436</u>
---	---------------------

See Notes to Financial Statements.

Village of Mundelein, Illinois

Enterprise Fund
Statement of Net Assets
April 30, 2007

	Business-Type Activities
	Waterworks and Sewerage Fund
Assets	
Current	
Cash and investments	\$ 8,081,517
Accounts receivable	1,040,320
Accrued interest receivable	31,590
Prepaid expenses	61,513
	<u>9,214,940</u>
Noncurrent	
Capital assets, net of accumulated depreciation	34,040,440
	<u>34,040,440</u>
Total assets	<u>43,255,380</u>
Liabilities	
Current	
Accounts payable	795,529
Accrued payroll	57,360
Deposits payable	81,722
Compensated absences	68,338
IEPA Loan payable	254,013
Total current liabilities	<u>1,256,962</u>
Noncurrent	
IEPA Loan payable	3,157,364
	<u>3,157,364</u>
Total liabilities	<u>4,414,326</u>
Net Assets	
Invested in capital assets, net of related debt	30,629,063
Restricted for capital improvements	6,043,153
Unrestricted	2,168,838
	<u>2,168,838</u>
Total net assets	<u>\$ 38,841,054</u>

See Notes to Financial Statements.

Village of Mundelein, Illinois

Enterprise Fund
Statement of Revenues, Expenses and Changes in Net Assets
Year Ended April 30, 2007

	Business-Type Activities
	Waterworks and Sewerage Fund
Operating revenues	
Charges for services	
Water and sewer sales	\$ 6,015,578
Operating expenses	
(excluding depreciation)	<u>5,971,266</u>
Operating income before depreciation	44,312
Depreciation	<u>1,973,974</u>
Operating loss	<u>(1,929,662)</u>
Nonoperating revenues (expenses)	
Expansion fees	173,058
Developer donations	100,000
Escrow transfer	405,500
Gain on disposal of capital assets	61,111
Interest income	431,135
Interest expense	(103,952)
Total nonoperating revenues (expenses)	<u>1,066,852</u>
Change in net assets	(862,810)
Net assets - beginning	<u>39,703,864</u>
Net assets - ending	<u><u>\$ 38,841,054</u></u>

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Cash Flows – Enterprise Fund
Year Ended April, 30, 2007

	Business-Type Activities
	Waterworks and Sewerage Fund
Cash flows from operating activities	
Cash received from residents for services	\$ 5,992,899
Payments to employees	(1,827,923)
Payments to suppliers	(4,076,607)
Net cash provided by operating activities	<u>88,369</u>
Cash flows from noncapital financing activities	
Cash received from developers	100,000
Cash received from residents for escrow deposits	407,017
Cash received from residents for expansion fees	173,058
Net cash provided by noncapital financing activities	<u>680,075</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(1,227,893)
Principal paid on IEPA note payable	(246,829)
Interest paid on IEPA note payable	(103,952)
Net cash used in capital and related financing activities	<u>(1,578,674)</u>
Cash flows from investing activities	
Purchase of investment securities	(2,161,149)
Cash receipts from interest income	447,782
Net cash used in investing activities	<u>(1,713,367)</u>
Net decrease in cash and equivalents	(2,523,597)
Cash and equivalents - beginning	<u>3,328,474</u>
Cash and equivalents - ending	<u>\$ 804,877</u>

(Continued)

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Cash Flows – Enterprise Fund - Continued
 Year Ended April, 30, 2007

	Business-Type Activities
	Waterworks and Sewerage Fund
<hr/>	
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (1,929,662)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	1,973,974
Changes in assets and liabilities	
Accounts receivable	(26,187)
Due from other funds	3,508
Prepaid items	(11,987)
Accounts payable	92,762
Accrued payroll	1,795
Compensated absences payable	(15,834)
Total adjustments	<u>2,018,031</u>
Net cash provided by operating activities	<u>\$ 88,369</u>
Reconciliation to Statement of Net Assets	
Cash and investments	
Cash and cash equivalents	\$ 804,877
Investments	<u>7,276,640</u>
	<u>\$ 8,081,517</u>
Summary of noncash investing activities:	
Net appreciation in the fair value of investments	\$ 27,531

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Fiduciary Net Assets - Pension Trust Funds and Agency Funds

April 30, 2007

	Pension Trust Funds	Agency Funds
Assets		
Cash and equivalents	\$ 118,859	\$ 1,175,892
Investments		
U.S. government and agency obligations	12,168,777	-
Insurance company contracts	373,151	-
Money market funds	1,326,997	-
Mutual funds	5,448,553	-
Common stock	4,051,842	-
The Illinois Funds Investment Pool	2,474,569	-
	25,962,748	1,175,892
Receivables		
Pension contributions	1,290,885	-
Accrued interest	133,421	-
Due from other fund	-	55,000
	27,387,054	1,230,892
Total assets	27,387,054	1,230,892
Liabilities		
Deposits payable	-	376,984
Other liabilities	-	768,908
Due to other funds	-	85,000
	-	1,230,892
Total liabilities	-	1,230,892
Net Assets	-	
Held in trust for pension benefits	\$ 27,387,054	\$ -

See Notes to Financial Statements.

Village of Mundelein, Illinois

Statement of Changes in Fiduciary Net Assets - Pension Trust Funds
Year Ended April 30, 2007

Additions	
Contributions	
Employer	\$ 1,341,487
Participants	464,371
	<u>1,805,858</u>
Investment income	
Net appreciation in fair value of investments	992,333
Interest income	1,114,243
Less investment expenses	(113,099)
	<u>1,993,477</u>
Total additions	<u>3,799,335</u>
Deductions	
Administration	22,803
Pension benefits and refunds	1,502,217
Total deductions	<u>1,525,020</u>
Change in net assets	2,274,315
Net assets - beginning	<u>25,112,739</u>
Net assets - ending	<u>\$ 27,387,054</u>

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

The Village of Mundelein, Illinois (Village) was incorporated under a charter granted by the Illinois State Legislature in 1909. The Village is a home rule municipality which operates under the management form of municipal government as provided in Chapter 65, Article 5 of the Illinois Compiled Statutes. The Village provides many services to residents including police and fire protection, water and sewer service, planning and zoning and general administrative services.

The accounting policies of the Village of Mundelein, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

(a) Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

(b) Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have generally been made to minimize the double-counting of internal activities of the Village; however, interfund services provided and used are not eliminated in the process of consolidation. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Government-wide and Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds – the General Fund, the General Obligation Bond Fund and the Capital Projects Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund – Waterworks and Sewerage Fund.

The Village administers the following major governmental funds:

General Fund – This 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 services which are administered by the Village and accounted for in the general fund include general government, public safety and public works.

General Obligation Bond Fund – The purpose of this fund is to accumulate monies for the payment of the \$1,950,000 Water Bond Series 1991, which are due in annual installments, plus interest, until maturity in 2006; to accumulate monies for the payment of the \$5,760,000 Refunding Bond Series 1992, which are due in annual installments, plus interest, until maturity in 2006; to accumulate monies for the payment of the \$5,000,000 General Obligation bonds Series 1998, which are due in annual installments, plus interest until maturity in 2017; to accumulate monies for the payment of the \$7,000,000 General Obligation bonds Series 1999, which are due in annual installments plus interest until maturity in 2018; and to accumulate monies for the payment of the \$5,000,000 General Obligation bonds Series 2005, which are due in annual installments plus interest until maturity in 2024. Financing is provided by specific annual property tax levies. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt. The 1991 Water bonds were issued to pay the cost of acquisition and construction of internal water system improvements for the purpose of accepting a supply of water from Lake Michigan. In 1992, Refunding bonds were issued to pay the cost of retiring the 1987 Corporate Purpose General Obligation bonds and the 1990 Water bonds. The 1998 bonds were issued to pay the cost of the construction of a satellite fire station and headquarters fire station. The 1999 bonds were issued to pay the final cost of the headquarters of the fire station, the cost of land acquisition and construction of a new police station. The 2005 bonds were issued to pay for capital improvements.

Capital Projects Fund – The purpose of this fund is to provide funding for capital improvements for fiscal years 2005 through 2008 including but not limited to street and drainage improvements.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Government-wide and Fund Financial Statements (Continued)

The Village administers the following major proprietary fund:

Waterworks and Sewerage Fund – This fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust and agency) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees and developers. The Village reports two pension trust funds, the Police Pension Fund and Firefighters Pension Fund, which account for resources accumulated for retirement annuities for sworn police officers and uniformed fire department personnel. The Village reports the following agency funds; the Special Assessments Fund, the Deposits Fund, the Sewer Plant Expansion Fund, the Reimbursement Escrow Fund and the 18-Inch Sewer Recapture Fund. These funds hold various monies collected by the Village from property owners and developers.

(c) Measurement Focus and 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 financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Village's proprietary fund types consider as cash equivalents all highly liquid investments with an original maturity of three months or less when purchased.

(e) Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

(f) Inventory and Prepaid Items

Inventories are accounted for at cost, using the last-in, first-out method. Inventories are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged as expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(g) Capital Assets

Capital assets which include land, streets and bridges, buildings, storm sewers, sanitary sewers, watermains and vehicles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5-10
Vehicles	5
Streets	30
Sidewalks	50
Storm and sanitary sewers and water mains	75
Traffic signals	20

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

Note 1. Summary of Significant Accounting Policies (Continued)

(h) Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

(i) Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits upon employee retirement or termination. No liability is recorded for unpaid accumulated sick leave other than the portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General and Waterworks and Sewerage funds are typically used to liquidate these liabilities.

(j) Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 debt service expenditures.

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits those funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

(k) Fund Equity

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. Designated fund balances, if any, represent tentative plans for future use of financial resources.

(l) Capital Contributions

Capital contributions (if any) reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

Note 1. Summary of Significant Accounting Policies (Continued)

(m) Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

(n) Interfund Transactions

The Village has the following types of transactions between funds:

Loans and Advances—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Net amounts between governmental and business-type activities are reported as internal balances in the government-wide statement of net assets.

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Note 2. Legal Compliance – Budgets

All departments of the Village submit requests for appropriation to the Village's Administrator so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, enterprise and pension trust funds.

Budgets are adopted on a basis consistent with generally accepted accounting principles except for the Waterworks and Sewerage Fund. The Waterworks and Sewerage Fund is adopted on a modified basis in that depreciation is not budgeted, and capital outlay and debt principal retirements are budgeted.

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 administrator is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund.

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 2. Legal Compliance – Budgets (Continued)

The budget may be amended by the governing body and was amended during the year.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several supplementary appropriations were necessary.

The Stormwater Management Fund (special revenue) had an excess of actual expenditures over budget of \$173,074 for the year ended April 30, 2007.

Note 3. Deposits and Investments

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is displayed on the combined statement of net assets 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.

Statutes authorize the Village to make deposits/invest in commercial banks, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements (subject to limitations), commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool. Pension funds may also invest in certain non-U.S. obligations, mortgages, veterans' loans, life insurance company contracts and certain equities (subject to limitations). The Village's deposits and investments at April 30, 2007, are categorized to give an indication of the level of collateral risk assumed.

(a) Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. As of April 30, 2007, \$497,339 of the Village's bank balance of \$2,071,664 was exposed to custodial credit risk because it was uninsured and uncollateralized.

(b) Investments

As of April 30, 2007, the Village had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6 - 10	More Than 10
U.S. Treasury securities	\$ 19,348,365	\$ 1,997,452	\$ 13,207,538	\$ 3,873,434	\$ 269,941
GNMA securities	96,871	45	-	84,008	12,818
U.S. Government agencies - other	6,506,932	149,645	3,931,904	1,445,383	980,000
Money market - fixed income*	823,520	823,520	-	-	-
The Illinois Funds Investment Pool*	19,405,399	19,405,399	-	-	-
Total	\$ 46,181,087	\$ 22,376,061	\$ 17,139,442	\$ 5,402,825	\$ 1,262,759

* Weighted average maturity is less than one year

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 3. Deposits and Investments (Continued)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy requires diversifying investments to avoid incurring unreasonable risk.

Credit Risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the Village's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of April 30, 2007, the Village's debt securities were as follows (excludes securities explicitly guaranteed by the U.S. government):

Investment Type	Fair Value	Standard & Poors
U.S. Government agencies:		
FHLMC	\$ 2,060,291	AAA
FNMA	4,172,593	AAA
FHLB	274,048	AAA
Money market - fixed income:		
Allegiance	391,696	AAA
Morgan Stanley	266,364	AAA
Madison	165,460	AAA
The Illinois Funds Investment Pool	19,405,399	AAA

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village was not exposed to custodial credit risk for its investments.

Concentration of Credit Risk. The Village places no limit on the amount the Village may invest in any one issuer. More than 5 percent of the Village's investments are in FNMA securities. These investments are approximately 7.3% of the Village's total investments.

Other Information. The Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price the investment could be sold for.

Note 4. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by the County and issued on or about May and August, and are payable in two installments which are due on or about June 15 and September 1.

Property taxes are billed, collected and remitted periodically by the County Treasurer of Lake County, Illinois. A reduction for collection losses, based on historical collection experience, has been provided to reduce the taxes receivable to the estimated amount to be collected. That portion of the property taxes receivable which is not expected to be collected within sixty (60) days after year-end is not considered to pay current liabilities and is, therefore, shown as deferred revenue for the fund statements. Since the 2006 property tax levy is levied to finance the operations of the fiscal year beginning May 1, 2007, the 2006 property tax levy is deferred (unearned) as of year end.

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets

(a) Governmental Activities

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Balance May 1	Additions	Deletions and Transfers	Balance April 30
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 41,047,439	\$ -	\$ -	\$ 41,047,439
Construction in process	439,174	4,143,520	162,129	4,420,565
	<u>41,486,613</u>	<u>4,143,520</u>	<u>162,129</u>	<u>45,468,004</u>
Capital assets being depreciated:				
Buildings	19,533,620	115,552	-	19,649,172
Land improvements	2,631,260	-	-	2,631,260
Machinery and equipment	6,501,106	556,454	250,541	6,807,019
Sidewalks	5,397,339	45,889	1,894	5,441,334
Streets, curbs and gutters	27,311,216	688	16	27,311,888
Traffic signals	310,488	-	-	310,488
Storm sewers	11,734,404	-	31,057	11,703,347
	<u>73,419,433</u>	<u>718,583</u>	<u>283,508</u>	<u>73,854,508</u>
Less accumulated depreciation for:				
Buildings	1,993,214	388,541	-	2,381,755
Land improvements	1,605,049	127,669	-	1,732,718
Machinery and equipment	5,456,927	417,124	218,867	5,655,184
Sidewalks	1,740,864	100,864	1,894	1,839,834
Streets, curbs and gutters	13,259,424	736,228	16	13,995,636
Traffic signals	166,942	15,524	-	182,466
Storm sewers	2,949,531	147,198	31,057	3,065,672
	<u>27,171,951</u>	<u>1,933,148</u>	<u>251,834</u>	<u>28,853,265</u>
Total capital assets being depreciated, net	<u>46,247,482</u>	<u>(1,214,565)</u>	<u>31,674</u>	<u>45,001,243</u>
Governmental activities capital assets, net	<u>\$ 87,734,095</u>	<u>\$ 2,928,955</u>	<u>\$ 193,803</u>	<u>\$ 90,469,247</u>

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (Continued)

(b) Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Balance May 1	Additions	Deletions and Transfers	Balance April 30
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 1,718,514	\$ -	\$ -	\$ 1,718,514
Construction in process	456,758	1,154,702	735,240	876,220
	<u>2,175,272</u>	<u>1,154,702</u>	<u>735,240</u>	<u>2,594,734</u>
Capital assets being depreciated:				
Buildings	21,277,369	-	110,457	21,166,912
Improvements other than buildings including Water/Sewer system	29,072,120	254,204	-	29,326,324
Machinery, equipment and vehicles	2,174,094	554,226	82,241	2,646,079
	<u>52,523,583</u>	<u>808,430</u>	<u>192,698</u>	<u>53,139,315</u>
Less accumulated depreciation for:				
Buildings	3,892,264	420,368	81,187	4,231,445
Improvements other than buildings including Water/Sewer system	14,425,466	1,417,200	90,381	15,752,285
Machinery, equipment and vehicles	1,655,715	136,406	82,242	1,709,879
	<u>19,973,445</u>	<u>1,973,974</u>	<u>253,810</u>	<u>21,693,609</u>
Total capital assets being depreciated, net	<u>32,550,138</u>	<u>(1,165,544)</u>	<u>(61,112)</u>	<u>31,445,706</u>
Business-type activities capital assets, net	<u>\$ 34,725,410</u>	<u>\$ (10,842)</u>	<u>\$ 674,128</u>	<u>\$ 34,040,440</u>

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (Continued)

(c) Depreciation Charged to Functions / Activities

Depreciation was charged to functions/activities as follows:

	Governmental Activities	Business-Type Activities
General government	\$ 230,621	\$ -
Public safety	509,817	-
Public works	1,192,710	1,973,974
	<u>\$ 1,933,148</u>	<u>\$ 1,973,974</u>

Note 6. Long-Term Obligations

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, Illinois Environmental Protection Agency (IEPA) loans have been utilized to finance major sewer improvement/construction projects.

(a) Governmental Activities

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2007:

	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
Compensated absences	\$ 521,657	\$ 664,449	\$ 625,161	\$ 560,945	\$ 560,945
Net pension obligation*	780,173	-	17,281	762,892	-
General obligation bonds**	17,200,000	-	730,000	16,470,000	850,000
Total	<u>\$ 18,501,830</u>	<u>\$ 664,449</u>	<u>\$ 1,372,442</u>	<u>\$ 17,793,837</u>	<u>\$ 1,410,945</u>

* General Fund used to liquidate this liability.

** excludes Bond discount of \$22,033

(b) Business-Type Activities

The following is a summary of long-term obligation activity for the Village associated with business-type activities for the year.

	Balance May 1	Issuances	Retirements	Balance April 30	Due Within One Year
Compensated absences	\$ 84,172	\$ 88,537	\$ 104,371	\$ 68,338	\$ 68,338
IEPA loan payable	3,658,206	-	246,829	3,411,377	254,013
Total	<u>\$ 3,742,378</u>	<u>\$ 88,537</u>	<u>\$ 351,200</u>	<u>\$ 3,479,715</u>	<u>\$ 322,351</u>

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (Continued)

(c) Changes in Long-Term Obligations

Long-term obligations outstanding of the Village are as follows:

Description	Fund Debt Retired By	Balance May 1	Issuances	Retirements	Balances April 30
General Obligation Bonds					
General Obligation Water					
Bond Series of 1991 due in annual installments of \$130,000 through December 1, 2006 plus interest at 5.0 to 7.0%	Debt Service Fund	\$ 130,000	\$ -	\$ 130,000	\$ -
General Obligation Water					
Refunding Bond Series of 1992 due in annual installments of \$70,000 to \$625,000 through December 1, 2006 plus interest at 3.0 to 5.75%	Debt Service Fund	70,000	-	70,000	-
General Obligation Bond Series					
of 1998 due in annual installments of \$320,000 to \$540,000 through December 1, 2018 plus interest at 4.6 to 4.625%	Debt Service Fund	5,000,000	-	-	5,000,000
General Obligation Bond Series					
of 1999 due in annual installments of \$345,000 to \$1,165,000 through December 1, 2019 plus interest at 4.4 to 4.5%	Debt Service Fund	7,000,000	-	435,000	6,565,000
General Obligation Bond Series					
of 2005 due in annual installments of \$95,000 to \$360,000 through December 1, 2025 plus interest at 3.5 to 4.2%	Debt Service Fund	5,000,000	-	95,000	4,905,000
		<u>\$ 17,200,000</u>	<u>\$ -</u>	<u>\$ 730,000</u>	<u>\$ 16,470,000</u>
Notes Payable					
IEPA Note payable due in annual installments of \$350,780 including interest at 2.89%, final payment due in fiscal year 2019	Waterworks and Sewerage	\$ 3,658,206	\$ -	\$ 246,829	\$ 3,411,377

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (Continued)

(d) Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the Village and general obligation bonds are as follows:

Fiscal Year	Governmental		Business-Type	
	General Obligation Bonds		IEPA Note Payable	
	Principal	Interest	Principal	Interest
2008	\$ 850,000	\$ 695,158	\$ 254,013	\$ 96,767
2009	885,000	657,985	261,407	89,373
2010	925,000	619,138	269,017	81,763
2011	965,000	578,560	276,847	73,932
2012	1,005,000	536,249	284,906	65,874
2013 - 2017	5,755,000	1,973,355	1,553,864	200,036
2018 - 2022	4,735,000	660,002	511,323	14,848
2023 - 2025	1,350,000	116,432	-	-
Totals	\$ 16,470,000	\$ 5,836,879	\$ 3,411,377	\$ 622,593

Note 7. Lease Obligations

No material capital or operating leases were in effect as of the date of this report.

Note 8. Defined Benefit Pension Plans

(a) Illinois Municipal Retirement System

Plan Description

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement (including early retirement), disability, and death benefits to plan members and beneficiaries. IMRF is a defined benefit agent-multiple-employer public employee retirement system which acts as a common investment and administrative agent for local governments and school districts in Illinois. 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 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. The Illinois Pension Code establishes the benefit provisions of the plan, which can only be amended by the Illinois General Assembly.

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(a) Illinois Municipal Retirement System (Continued)

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy

Employees participating in the IMRF plan are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute the remaining amounts necessary to fund the benefits of its own employees in the system using an actuarially determined rate. The Village's rate for calendar year 2007 was 11.1%. The Village's rate for calendar year 2006 was 10.92%.

Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions

For fiscal year 2007, the Village's annual pension cost of \$770,927 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2004, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses); (b) projected salary increases of 4% a year attributable to inflation; (c) additional projected salary increases ranging from .4% to 11.6% per year, depending on age and service attributable to seniority/merit; and (d) cost of living adjustments of 3% per year of the original amount of the benefit.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 1, 2006, was 26 years.

(b) Police Pension

Plan Description

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 contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial report.

At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	32
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	
Vested	21
Nonvested	<u>28</u>
Total	<u>81</u>

Note 8. Defined Benefit Pension Plans (Continued)

(b) Police Pension (Continued)

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 pension is increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 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, is increased annually, following the first anniversary date of retirement and will be paid upon reaching the age of at least 55 years, by 3% of the amount of the pension payable at the time of the increase.

Funding Policy

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2032, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded. Actuarial valuations are performed annually.

Annual Pension Cost and Reserves

Current Year Annual Pension Cost

For fiscal year 2007, the Village's annual pension cost (APC) was \$888,409. The Village's actual contribution was \$911,932. For a description of the significant actuarial assumptions, see Note 8f.

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions. The plan held investments (other than those issued or guaranteed by the U.S. Government) in the following organizations that represent 5% or more of net assets available for benefits:

FHLMC	\$1,067,477
FNMA	2,498,541

(c) Firefighters' Pension

Plan Description

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 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The plan does not issue a stand-alone financial statement.

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(c) Firefighters' Pension (Continued)

At April 30, 2007, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to benefits but not yet receiving them	0
Current employees	
Vested	10
Nonvested	<u>11</u>
Total	<u>29</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 is increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 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, is increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the amount of the pension payable at the time of the increase.

Funding Policy

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 interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2032, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded. Actuarial valuations are performed annually.

Annual Pension Cost and Reserves

Current Year Annual Pension Cost

For fiscal year 2007, the Village's annual pension cost (APC) was \$396,895. The Village's actual contribution was \$429,555. For a description of the significant actuarial assumptions, see Note 8f.

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(c) Firefighters' Pension (Continued)

Reserves and Concentration of Investments

There are no assets legally reserved for purposes other than the payment of plan member benefits. There are no long-term contracts for contributions.

The plan held investments (other than those issued or guaranteed by the U.S. government) in the following organizations that represent 5% or more of net assets available for benefits:

FHLMC	\$995,814
FNMA	1,674,053

(d) Police Pension and Firefighters' Pension

Summary of Significant Accounting Policies and Plan Asset Matters

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.

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

Computation of Net Pension Obligation at April 30, 2007

	Police Pension	Firefighters' Pension
	<hr/>	<hr/>
Annual required contribution	\$ 894,954	\$ 401,511
Interest on the NPO	(18,223)	(12,852)
Adjustment to the ARC	11,678	8,236
	<hr/>	<hr/>
Annual pension cost	888,409	396,895
Contributions made	911,932	429,555
	<hr/>	<hr/>
(Increase) in the asset	(23,523)	(32,660)
Net pension asset at May 1, 2006 before contributions payable	288,210	183,600
	<hr/>	<hr/>
Pension asset at April 30, 2007, before contributions payable	311,733	216,260
Adjustment for Contributions payable at April 30, 2007	(877,464)	(413,421)
	<hr/>	<hr/>
Net pension obligation at April 30, 2007	<u>\$ (565,731)</u>	<u>\$ (197,161)</u>

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(e) Pension Fund Financial Statements

Combining Statement of Fiduciary Net Assets - Pension Trust Funds
April 30, 2007

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and investments			
Cash and equivalents	\$ 57,090	\$ 61,769	\$ 118,859
Investments			
U.S. government and agency obligations	6,135,776	6,033,001	12,168,777
Insurance company contracts	-	373,151	373,151
Money market funds	1,102,190	224,807	1,326,997
Mutual funds	1,854,594	3,593,959	5,448,553
Common stock	4,051,842	-	4,051,842
The Illinois Funds Investment Pool	1,949,005	525,564	2,474,569
	<u>15,150,497</u>	<u>10,812,251</u>	<u>25,962,748</u>
Receivables			
Pension contributions	877,464	413,421	1,290,885
Accrued interest	67,532	65,889	133,421
	<u>944,996</u>	<u>479,310</u>	<u>1,424,306</u>
Net Assets			
Held in trust for pension benefits	<u>\$ 16,095,493</u>	<u>\$ 11,291,561</u>	<u>\$ 27,387,054</u>

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(e) Pension Fund Financial Statements (continued)

Combining Statement of Changes in Fiduciary Net Assets - Pension Trust Funds
Year Ended April 30, 2007

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions			
Employer	\$ 911,932	\$ 429,555	\$ 1,341,487
Participants	314,802	149,569	464,371
	<u>1,226,734</u>	<u>579,124</u>	<u>1,805,858</u>
Investment income			
Net appreciation in fair value of investments	624,092	368,241	992,333
Interest income	622,146	492,097	1,114,243
Less investment expenses	(75,498)	(37,601)	(113,099)
	<u>1,170,740</u>	<u>822,737</u>	<u>1,993,477</u>
Total additions	<u>2,397,474</u>	<u>1,401,861</u>	<u>3,799,335</u>
Deductions			
Administration	14,297	8,506	22,803
Pension benefits and refunds	1,179,274	322,943	1,502,217
Total deductions	<u>1,193,571</u>	<u>331,449</u>	<u>1,525,020</u>
Change in net assets	1,203,903	1,070,412	2,274,315
Net assets - beginning	<u>14,891,590</u>	<u>10,221,149</u>	<u>25,112,739</u>
Net assets - ending	<u>\$ 16,095,493</u>	<u>\$ 11,291,561</u>	<u>\$ 27,387,054</u>

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(f) Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

	Illinois Municipal Retirement	Police Pension	Fire- fighters' Pension
Actuarial Valuation Date	December 31, 2004	April 30, 2007	April 30, 2007
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Five-Year Smoothed Market Value	Five-Year Smoothed Market Value	Five-Year Smoothed Market Value
Amortization Method	Level Percentage of Projected Payroll – Closed Basis	Level Percentage of Projected Payroll – Closed Basis	Level Percentage of Projected Payroll – Closed Basis
Significant Actuarial Assumptions			
(a) Remaining Amortization Period (Years)	26	26	26
(b) Rate of Return on Investment of Present and Future Assets	7.50% compounded annually	7.00% compounded annually	7.00% compounded annually
(c) Projected Salary Increases - Attributable to Inflation	4.00% compounded annually	5.50% compounded annually	5.50% compounded annually
(d) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 11.6%	(Note - separate information for (b and c) not available)	
(e) Postretirement Benefit Increases	3.00%	3.00% compounded annually	3.00% compounded annually

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

(g) Trend Information

	For Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost	2007	\$ 770,927	\$ 888,409	\$ 396,895
	2006	677,752	833,131	364,591
	2005	582,076	756,412	363,659
Percent Contributed	2007	100.00 %	102.70 %	108.20 %
	2006	100.00	103.30	113.80
	2005	100.00	107.70	109.90
Net Pension Obligation	2007	\$ -	\$ (565,731)	\$ (197,161)
	2006	-	(565,052)	(215,121)
	2005	-	(576,603)	(241,400)

Note 9. Interfund Balances

The composition of interfund balances as of April 30, 2007, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Fiduciary Funds	\$ 85,000
Fiduciary Funds	General Fund	55,000
Nonmajor Special Revenue Funds	General Fund	263,472
	Nonmajor Special Revenue Funds	46,090
		<u>\$ 449,562</u>

The interfund balances are the result of coordinating sales tax due from other governmental units and the obligations of the incentive agreement in terms of accrual as well as amounts owed by the TIF Fund to other funds for eligible costs incurred by those other funds.

Note 10. Post-Employment Benefits

In addition to providing pension benefits, the Village provides certain health care insurance and benefits for retired employees. In accordance with Village policy, substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The entire cost of retiree health care premiums is paid by participating retirees. The Village has no obligation to finance this program. Accordingly, no liability has been recorded for post-retirement health care benefits.

Note 11. Contingent Liabilities

(a) Litigation

There are several pending lawsuits in which the Village is involved. Management believes that the potential claims against the Village resulting from such litigation will not materially affect the financial position 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.

(c) Central Lake County Joint Action Water Agency (CLC-JAWA)

The Village's water supply agreement with the Central Lake County Joint Action Water Agency (CLC-JAWA) provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

(d) Solid Waste Agency of Lake County (SWALCO)

The Village's contract with the Solid Waste Agency of Lake County provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

(e) Developer Financing Agreement

Two sales tax financing arrangements are in progress with developers. Amounts are payable to the developer only from the Village's incremental sales taxes collected from the project area. Revenues collected and allocable to the agreement in the amount of \$67,930 and \$349,350 are reserved and will be paid to developers under the terms of the agreements.

Note 12. 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. The Village currently reports all its risk management activities in the General Fund.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool their risk management needs. The agency administers a mix of self-insurance and commercial services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Notes to Basic Financial Statements

Note 12. Risk Management (Continued)

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

The Village has also purchased insurance from private insurance companies. Risks covered included medical and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage during the current year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years.

Note 13. Joint Venture – Solid Waste Agency of Lake County

The Village is a member of the Solid Waste Agency of Lake County (the Agency) which consists of 35 municipalities. The Agency is a municipal corporation and public body politic and corporate established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). The Agency is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members. SWALCO is reported as a nonequity governmental joint venture.

The members of the Agency and their percentage shares based on formulae contained in the Agency agreement are:

	<u>% Share</u>			<u>% Share</u>
Antioch	1.06	%	Lindenhurst	1.45
Beach Park	1.65		Long Grove	1.42
Deer Park	.74		Mundelein	4.12
Deerfield	4.25		North Barrington	.66
Grayslake	1.46		North Chicago	3.13
Green Oaks	.47		Park City	.86
Gurnee	3.11		Riverwoods	.94
Hawthorn Woods	1.07		Round Lake	.61
Highland Park	8.03		Round Lake Beach	2.55
Kildeer	.67		Round Lake Park	.64
Lake Barrington	1.16		Third Lake	.24
Lake Bluff	1.61		Vernon Hills	3.36
Lake County	19.88		Wadsworth	.39
Lake Forest	6.13		Wauconda	1.31
Lake Villa	.55		Waukegan	12.15
Lake Zurich	3.21		Winthrop Harbor	1.08
Libertyville	4.38		Zion	3.92
Lincolnshire	1.74			
				<u>100.00</u> %

These percentage shares are subject to change in future years based on the combination of the population and equalized assessed valuation of the municipalities.

Village of Mundelein, Illinois

Notes to Basic Financial Statements

Note 13. Joint Venture – Solid Waste Agency of Lake County (Continued)

The members form a contiguous geographic service area which is located in Lake County. Under the Agency Agreement, additional members may join the Agency upon approval of each member.

The Agency is governed by a Board of Directors which consists of one appointed Mayor or President, Trustee or Chief Administrative Officer from each member municipality. Each Director has an equal vote. The officers of the Agency are appointed by the Board of Directors. The Board of Directors determines the general policy of the Agency, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of Bonds or Notes by Agency, 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.

Summary Financial Information of Joint Venture

Summary of Financial Position as of November 30, 2005 (latest data available):

<u>Assets</u>		<u>Liabilities and Net Assets</u>	
Current assets	\$ 374,353	Current liabilities	\$ 138,713
Fixed assets	<u>1,593,592</u>	Net Assets invested in capital assets	1,593,592
		Unrestricted net assets	<u>235,640</u>
		Total Liabilities and Net Assets	<u>\$ 1,967,945</u>
Total Assets	<u>\$ 1,967,945</u>		

Summary of Revenues, Expenses and Changes in Fund Equity for the year ended November 30, 2005:

Total Revenues	\$ 3,233,671
Total Expenses	<u>2,987,577</u>
Change in net assets	246,094
Net Assets	
Beginning of Year	<u>1,583,138</u>
End of Year	<u>\$ 1,829,232</u>

Complete financial statements for SWALCO can be obtained from the Agency's administrative office at 1311 N. Estes St., Gurnee, Illinois 60031.

Notes to Basic Financial Statements

Note 13. Joint Venture – Solid Waste Agency of Lake County (Continued)

Revenues of the system consist of (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of moneys; and (c) all income, fees, service charges and all grants, rents and receipts derived by the Agency from the ownership and operation of the system.

The Agency covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

The Agency has entered into Solid Waste Disposal Contracts with the member municipalities. The Contracts are irrevocable and may not be terminated or amended except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by the Agency of its obligations under this Contract.

The payments required to be made by the Village under this Contract shall be required to be made solely from revenues to be derived by the Village from the operation of the Village's system. The government is not prohibited by the Contract from using other available funds to make payments required by the Contract. The Contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture Agreement, the Village made no remittances for SWALCO for 2007.

Note 14. Contractual and Other Commitments

The Village entered into contracts for the construction or renovation of various streets and facilities. The Village has entered into a contract for 2007 street renovations subsequent to April 30, 2007 for approximately \$1.8 million.

There are various other contracts totaling approximately \$7.5 million with remaining commitments of approximately \$2.9 million. No further financing is required on any of the contracts.

The Village has committed to purchase all water from the Central Lake County Joint Action Water Agency (CLC-JAWA).

The Village has committed to make payments to the Solid Waste Agency of Lake County. As of the date of this report, future minimum amounts have not been determined.

Note 15. Segment Information

The Village maintains only one enterprise fund which is intended to be self-supporting through user fees charged for services to the public.

Note 16. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

Statement No. 43 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. The Village is required to implement this Statement for the year ending April 30, 2008.

Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information. The Village is required to implement this Statement for the year ending April 30, 2009.

Statement No. 48 – *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. Governments sometimes exchange an interest in their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments – generally, a single lump sum. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. This Statement also includes guidance to be used for recognizing other assets and liabilities arising from a sale of specific receivables or future revenues, including residual interests and resource provisions. In addition, this Statement requires disclosures pertaining to future revenues that have been pledged or sold, along with information about which revenues will be unavailable for other purposes and how long they will continue to do so. This Statement will become effective for the year ending April 30, 2008.

Statement No. 49 – *Accounting and Financial Reporting for Pollution Remediation Obligations*, which addressed accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. This Statement will become effective for the year ending April 30, 2009.

Statement No. 50 – *Pension Disclosures – an amendment to GASB Statements No. 25 and No. 27*. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and enhances information disclosed in the notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The Village will implement Statement No. 50 beginning with the year ending April 30, 2009.

Statement No. 51 – *Accounting and Financial Reporting for Intangible Assets*, establishes accounting and financial reporting requirements for intangible assets. All intangible assets not specifically excluded by the scope of this Statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to these intangible assets, as applicable. The Village is required to implement this Statement for the year ending April 30, 2011.

Management has not currently determined what impact, if any, these Statements may have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Mundelein, Illinois

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – General Fund
 Year Ended April 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Charges for services	\$ 800,000	\$ 800,000	\$ 1,097,158	\$ 297,158
Licenses and permits	3,580,000	3,580,000	3,304,643	(275,357)
Grants	500,000	500,000	139,488	(360,512)
Donations	80,000	80,000	2,782,939	2,702,939
Fines and forfeits	750,000	750,000	730,693	(19,307)
Taxes	18,500,000	18,500,000	17,700,068	(799,932)
Interest	100,300	100,300	680,014	579,714
Miscellaneous	60,000	60,000	283,915	223,915
Total revenues	24,370,300	24,370,300	26,718,918	2,348,618
Expenditures				
Current				
General government	8,282,000	9,086,900	5,592,261	3,494,639
Public safety	12,058,000	12,058,000	11,388,755	669,245
Public works	4,780,000	4,880,000	2,882,750	1,997,250
Total expenditures	25,120,000	26,024,900	19,863,766	6,161,134
Excess (deficiency) of revenues over expenditures before other financing uses	(749,700)	(1,654,600)	6,855,152	8,509,752
Other financing uses				
Transfer to other funds	-	-	(1,777,764)	(1,777,764)
Net change in fund balance	\$ (749,700)	\$ (1,654,600)	5,077,388	\$ 6,731,988
Fund balance - beginning			9,038,072	
Fund balance - ending			<u>\$ 14,115,460</u>	

Village of Mundelein, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2007

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
12/31/97	\$ 6,151,355	\$ 5,998,557	\$ (152,798)	102.55 %	\$ 3,638,695	(4.20) %
12/31/98	7,384,758	6,976,770	(407,988)	105.85	4,059,743	(10.05)
12/31/99	9,207,042	8,266,890	(940,152)	111.37	4,305,265	(21.84)
12/31/00	10,668,807	9,149,289	(1,519,518)	116.61	4,778,706	(31.80)
12/31/01	11,535,908	10,249,609	(1,286,299)	112.55	5,118,806	(25.13)
12/31/02	10,943,641	11,134,246	190,605	98.29	5,462,318	3.49
12/31/03	11,866,860	13,161,373	1,294,513	90.16	6,018,509	21.51
12/31/04	12,972,580	15,650,132	2,677,552	82.89	6,532,840	40.99
12/31/05	12,124,930	15,257,018	3,132,088	79.47	6,922,903	45.24
12/31/06	13,709,612	16,909,264	3,199,652	81.08	7,059,775	45.32

Village of Mundelein, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2007

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/98	\$ 10,751,486	\$ 14,012,842	\$ 3,261,356	76.73 %	\$ 1,925,628	169.37 %
05/01/99	11,650,914	15,283,982	3,633,068	76.23	1,868,521	194.44
05/01/00	12,241,058	16,241,966	4,000,908	75.37	2,120,945	188.64
05/01/01	12,883,580	18,019,439	5,135,859	71.50	2,387,550	215.11
05/01/02	13,004,269	19,586,992	6,582,723	66.39	2,410,178	273.12
05/01/03	12,479,909	20,690,796	8,210,887	60.32	2,506,655	327.56
05/01/04	13,468,963	22,315,402	8,846,439	60.36	2,672,034	331.08
05/01/05	13,936,664	23,400,253	9,463,589	59.56	2,799,868	338.00
05/01/06	14,891,590	24,227,000	9,335,410	61.47	2,855,376	326.94
05/01/07	16,095,493	26,527,783	10,432,290	60.67	3,374,160	309.18

Village of Mundelein, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2007

Firefighters' Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/98	\$ 4,830,496	\$ 5,053,553	\$ 223,057	95.59 %	\$ 805,140	27.70 %
05/01/99	5,569,277	5,702,521	133,244	97.66	1,026,089	12.99
05/01/00	6,005,082	6,348,839	343,757	94.59	1,080,375	31.82
05/01/01	6,597,952	7,360,254	762,302	89.64	1,286,394	59.26
05/01/02	7,090,942	8,432,127	1,341,185	84.09	1,409,179	95.17
05/01/03	7,656,045	9,174,538	1,518,493	83.45	1,469,165	103.36
05/01/04	8,513,831	9,941,515	1,427,684	85.64	1,445,779	98.75
05/01/05	9,227,177	11,073,537	1,846,360	83.33	1,570,875	117.54
05/01/06	10,221,149	12,221,261	2,000,112	83.63	1,577,656	126.78
05/01/07	11,291,561	13,590,907	2,299,346	83.08	1,614,959	142.38

Village of Mundelein, Illinois

**Required Supplementary Information
Employer Contributions**

April 30, 2007

Illinois Municipal Retirement Fund

Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	
12/31/97	\$ 307,819	100	%
12/31/98	334,929	100	
12/31/99	342,699	100	
12/31/00	333,076	100	
12/31/01	303,033	100	
12/31/02	275,847	100	
12/31/03	364,120	100	
12/31/04	582,076	100	
12/31/05	677,752	100	
12/31/06	770,927	100	

Village of Mundelein, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2007

Police Pension Fund

Actuarial Valuation Date		Annual Required Contribution	Percentage Contributed	
05/01/98	\$	313,213	118.21	%
05/01/99		414,149	93.86	
05/01/00		414,149	107.21	
05/01/01		430,116	104.90	
05/01/02		487,093	109.16	
05/01/03		572,660	107.77	
05/01/04		670,250	97.96	
05/01/05		761,261	106.97	
05/01/06		839,296	103.30	
05/01/07		894,954	101.90	

Village of Mundelein, Illinois

Required Supplementary Information
Employer Contributions

April 30, 2007

Firefighters' Pension Fund

Actuarial Valuation Date		Annual Required Contribution	Percentage Contributed	
05/01/98	\$	142,587	147.95	%
05/01/99		182,680	119.40	
05/01/00		182,680	111.08	
05/01/01		240,402	97.80	
05/01/02		257,311	96.95	
05/01/03		321,697	95.54	
05/01/04		360,753	100.84	
05/01/05		366,355	109.10	
05/01/06		368,121	113.80	
05/01/07		401,511	106.98	

Note 1. Budgetary Basis of Accounting

The General Fund budget is adopted on a basis that is consistent with generally accepted accounting principles.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - To account for the general operating activities of the Village which are not accounted for in any other fund.

Village of Mundelein, Illinois

General Fund

Schedule of Expenditures - Budget and Actual -

by Function and Object

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
General government			
Executive			
Personal services	\$ 71,000	\$ 71,000	\$ 69,768
Professional development	35,000	35,000	25,669
Professional services	500	3,500	2,270
Property services	2,500	2,500	2,091
Other services	500	500	169
Supplies	2,500	2,500	1,087
Communications	2,000	2,000	642
Utilities	500	500	-
Office equipment	28,000	28,000	10,966
Contingent	25,000	22,000	-
Total executive	167,500	167,500	112,662
Board and commission			
Professional development	4,000	4,000	1,426
Professional services	115,000	115,000	109,649
Property services	20,000	20,000	16,377
Community services	2,000	2,000	-
Other services	35,000	35,000	25,927
Supplies	20,000	20,000	15,553
Utilities	2,000	2,000	1,758
Maintenance materials	2,500	2,500	1,857
Electrical equipment	5,500	5,500	-
Contingent	25,000	25,000	-
Total board and commission	231,000	231,000	172,547
Other general government			
Personal services	852,000	977,000	928,065
Fringe benefits	227,000	235,000	219,845
Professional development	34,000	35,000	15,935
Professional services	578,000	793,000	460,089
Property services	47,000	50,000	30,337
Maintenance services	16,000	16,000	8,509

(Continued)

Village of Mundelein, Illinois

General Fund

**Schedule of Expenditures - Budget and Actual -
by Function and Object - Continued
Year Ended April 30, 2007**

	Original Budget	Final Budget	Actual
General government (Continued)			
Other general government (Continued)			
Community services	\$ 160,000	\$ 160,000	\$ 152,085
Other services	38,000	53,000	34,008
Supplies	66,000	67,000	51,449
Safety equipment	1,000	1,000	346
Communications	55,000	55,000	49,072
Utilities	1,500	1,500	1,237
Maintenance materials	7,000	7,000	3,932
Other commodities	500	1,500	75
Office equipment	30,000	80,000	25,025
Other equipment	40,000	-	-
Infrastructure improvement	-	804,900	15,659
Contingent	850,000	471,000	-
Total general government	<u>3,003,000</u>	<u>3,807,900</u>	<u>1,995,668</u>
Finance			
Personal services	490,000	520,000	460,770
Fringe benefits	140,000	130,000	119,104
Professional development	10,000	10,000	6,609
Professional services	285,000	325,000	257,108
Property services	16,000	21,000	18,179
Maintenance services	3,000	3,000	834
Other services	18,000	18,000	(591)
Supplies	28,000	28,000	21,536
Communications	12,000	12,000	5,041
Maintenance materials	1,000	1,000	-
Other commodities	1,000	1,000	-
Office equipment	34,000	14,000	3,505
Contingent	350,000	305,000	82,801
Total finance	<u>1,388,000</u>	<u>1,388,000</u>	<u>974,896</u>

(Continued)

Village of Mundelein, Illinois

General Fund

Schedule of Expenditures - Budget and Actual -

by Function and Object - Continued

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
General government			
Community development			
Personal services	\$ 805,000	\$ 863,000	\$ 700,099
Fringe benefits	235,000	235,000	144,895
Professional development	22,000	22,000	10,014
Professional services	350,000	350,000	111,767
Property services	35,000	35,000	33,262
Maintenance services	4,000	4,000	405
Other services	8,000	10,000	9,968
Supplies	22,000	22,000	17,473
Personal safety equipment	1,500	1,500	230
Communications	13,000	13,000	8,217
Utilities	6,000	6,000	4,952
Maintenance materials	3,500	3,500	3,509
Other commodities	500	500	25
Motor equipment	2,500	2,500	1,174
Office equipment	17,000	17,000	8,722
Contingent	150,000	90,000	-
Total community development	<u>1,675,000</u>	<u>1,675,000</u>	<u>1,054,712</u>
Engineering			
Personal services	428,000	383,000	347,279
Fringe benefits	120,000	85,000	83,568
Professional development	12,000	12,000	5,255
Professional services	970,000	1,247,000	788,910
Property services	26,000	29,000	27,384
Maintenance services	13,000	13,000	7,063
Other services	3,000	3,000	1,711
Supplies	11,000	11,000	3,619
Personal safety equipment	4,500	4,500	867
Communications	10,000	10,000	5,637
Utilities	4,000	4,000	2,624
Maintenance materials	2,000	2,000	399
Office equipment	14,000	14,000	7,460
Contingent	200,000	-	-
Total engineering	<u>1,817,500</u>	<u>1,817,500</u>	<u>1,281,776</u>
Total general government	<u>8,282,000</u>	<u>9,086,900</u>	<u>5,592,261</u>

(Continued)

Village of Mundelein, Illinois

General Fund

Schedule of Expenditures - Budget and Actual -

by Function and Object - Continued

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Public safety			
Police			
Personal services	\$ 4,755,000	\$ 5,150,000	\$ 5,086,039
Fringe benefits	2,000,000	1,635,000	1,890,803
Professional development	110,000	115,000	104,004
Professional services	150,000	150,000	121,456
Property services	185,000	210,000	204,453
Maintenance services	105,000	105,000	75,131
Community services	9,000	34,000	28,722
Other services	57,000	62,000	52,537
Supplies	95,000	95,000	71,024
Safety equipment	90,000	95,000	82,413
Communications	68,000	103,000	90,877
Utilities	45,000	85,000	97,098
Maintenance materials	38,000	43,000	33,735
Other commodities	21,000	21,000	12,406
Motor equipment	78,000	103,000	98,269
Office equipment	75,000	75,000	58,454
Other equipment	32,000	32,000	14,086
Contingent	200,000	-	-
Total police	<u>8,113,000</u>	<u>8,113,000</u>	<u>8,121,507</u>
Fire			
Personal services	2,132,000	2,462,000	1,929,563
Fringe benefits	860,000	509,000	790,032
Professional development	29,000	29,000	18,437
Professional services	300,000	305,000	263,095
Property services	70,000	75,000	72,086
Maintenance services	68,000	68,000	47,022
Community services	10,000	10,000	2,108
Other services	12,000	12,000	7,105
Supplies	35,000	35,000	24,534
Personal safety equipment	49,000	49,000	20,623
Communications	20,000	25,000	22,568

(Continued)

Village of Mundelein, Illinois

General Fund

Schedule of Expenditures - Budget and Actual -
by Function and Object - Continued
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Public safety - Continued			
Fire (Continued)			
Utilities	\$ 17,000	\$ 22,000	\$ 16,239
Maintenance materials	25,000	25,000	18,019
Other commodities	1,000	2,000	719
Office equipment	17,000	17,000	8,602
Other equipment	40,000	40,000	26,496
Machinery equipment	60,000	60,000	-
Contingent	200,000	200,000	-
Total fire	<u>3,945,000</u>	<u>3,945,000</u>	<u>3,267,248</u>
Total public safety	<u>12,058,000</u>	<u>12,058,000</u>	<u>11,388,755</u>
Public works			
Public works			
Personal services	365,000	427,000	333,278
Fringe benefits	84,000	86,000	83,987
Professional development	12,500	12,500	5,943
Professional services	119,000	119,000	19,353
Property services	150,000	185,000	166,744
Maintenance services	68,000	68,000	46,182
Other services	16,000	16,000	6,685
Supplies	27,500	27,500	15,966
Personal safety equipment	6,500	6,500	2,901
Communications	33,500	34,500	16,773
Utilities	12,000	39,000	28,328
Maintenance materials	45,000	45,000	28,526
Other commodities	1,000	1,000	116
Motor equipment	162,000	162,000	143,253
Office equipment	13,000	13,000	6,323
Other equipment	240,000	241,000	1,171
Infrastructure improvement	450,000	450,000	13,338
Contingent	550,000	422,000	-
Total public works	<u>2,355,000</u>	<u>2,355,000</u>	<u>918,867</u>

(Continued)

Village of Mundelein, Illinois

General Fund

Schedule of Expenditures - Budget and Actual -

by Function and Object - Continued

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Public works (Continued)			
Public works (Continued)			
Streets			
Personal services	\$ 800,000	\$ 843,000	\$ 841,183
Fringe benefits	210,000	180,000	185,037
Professional development	4,000	4,000	1,293
Professional services	5,000	5,000	11,381
Property services	50,000	55,000	58,002
Maintenance services	140,000	110,000	73,172
Community services	100,000	100,000	63,549
Other services	13,000	13,000	9,023
Supplies	22,000	22,000	13,676
Personal safety equipment	9,000	9,000	3,859
Communications	14,000	14,000	7,459
Utilities	175,000	190,000	184,801
Maintenance materials	245,000	237,000	234,021
Motor equipment	175,000	165,000	164,308
Office equipment	8,000	8,000	2,154
Infrastructure improvement	55,000	570,000	110,965
Contingent	400,000	-	-
Total streets	<u>2,425,000</u>	<u>2,525,000</u>	<u>1,963,883</u>
Total public works	<u>4,780,000</u>	<u>4,880,000</u>	<u>2,882,750</u>
Total expenditures	<u>\$ 25,120,000</u>	<u>\$ 26,024,900</u>	<u>\$ 19,863,766</u>

NONMAJOR SPECIAL REVENUE FUNDS

Road and Bridge Fund – To account for revenues derived from a specific annual property tax levy provided for the purpose of providing funds for the maintenance and construction of roads and bridges.

Illinois Municipal Retirement Fund – To account for revenues derived from a specific annual property tax levy provided for the purpose of providing employer contributions to the state sponsored Illinois Municipal Retirement Fund.

Social Security Fund – To account for revenues derived from a specific annual property tax levy provided for the purpose of meeting the costs associated with participation in the "Social Security Act."

Train Station Parking Fund – To account for revenues and expenditures related to the operations of the train station parking lot.

Motor Fuel Tax Fund – To account for revenues provided by the Village's share of state gasoline taxes used for the operation of certain street maintenance and improvement programs, as authorized by the Illinois Department of Transportation.

911 Surcharge Fund – To account for revenues derived from the imposition of a surcharge per network connection on the telecommunication companies for the purpose of installing and maintaining a 911 Emergency Telephone System (The Emergency Telephone System Act).

NONMAJOR SPECIAL REVENUE FUNDS (CONT.)

Mundelein Crossing Occupational Tax Special Fund – To account for the activity relating to the Development Agreement and Economic Incentive agreement dated August 11, 2003, with Mid-Northern Equities. The agreement requires that a portion of the municipal retailer occupational tax revenues attributable to the Mundelein Crossing Shopping Center be remitted to Mid-Northern Equities for a 13-year period, to a maximum of \$6,000,000.

Dive Boat Fund – To account for the revenues and expenditures related to the Village's acquisition and maintenance of a dive rescue boat.

Transportation Fund – To account for revenues derived from transportation impact fees used to fund Construction of Transportation Improvements, including intersection improvements and Metra train station facilities.

Capital Development Fund – To account for revenues derived from development fees received from contractors for the purpose of meeting the costs of various Village projects and expenditures at the Village's discretion.

Stormwater Management Fund – To account for revenues derived from Stormwater Management fees received from developers. The Village will use the funds for storm water relief projects.

Tree Fund – To account for revenues generated as a result of the landscape code ordinance, and utilized for forestry activities of public property.

Tax Increment Finance Area #2 Fund – To account for the activity relating to Tax Increment Allocation Financing for the downtown TIF Redevelopment Project Area adopted as Ord. 05-01-08 on January 10, 2005.

Supervalu Occupational Tax Special Fund – To account for the activity relating to the Redevelopment Agreement and Economic Incentive agreement dated May 26, 1999 with Supervalu Cub Foods. The agreement requires that a portion of all non-home rule municipal retailers' occupational tax revenues attributable to the Cub Foods store be remitted to Supervalu Cub Foods for a 12-year period, to a maximum of \$800,000.

Village of Mundelein, Illinois

Nonmajor Special Revenue Funds
 Combining Balance Sheet
 April 30, 2007

	Road and Bridge	Illinois Municipal Retirement	Social Security	Train Station Parking	Motor Fuel Tax	911 Surcharge
Assets						
Cash and investments	\$ 580,852	\$ 60,444	\$ 211,263	\$ 424,056	\$ 2,178,301	\$ 652,342
Receivables						
Property taxes	891,000	599,038	944,961	-	-	-
Accounts	-	-	-	-	445	-
Accrued Interest	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	73,505	-
Total assets	<u>\$ 1,471,852</u>	<u>\$ 659,482</u>	<u>\$ 1,156,224</u>	<u>\$ 424,056</u>	<u>\$ 2,252,251</u>	<u>\$ 652,342</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 1,104	\$ -	\$ 649
Accrued payroll	18,683	14,153	20,897	-	-	1,900
Deferred property taxes	891,000	599,038	944,961	-	-	-
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>909,683</u>	<u>613,191</u>	<u>965,858</u>	<u>1,104</u>	<u>-</u>	<u>2,549</u>
Fund Balances						
Reserved for capital and other improvements	-	-	-	-	2,252,251	649,793
Unreserved, undesignated	562,169	46,291	190,366	422,952	-	-
	<u>562,169</u>	<u>46,291</u>	<u>190,366</u>	<u>422,952</u>	<u>2,252,251</u>	<u>649,793</u>
Total liabilities and fund balances	<u>\$ 1,471,852</u>	<u>\$ 659,482</u>	<u>\$ 1,156,224</u>	<u>\$ 424,056</u>	<u>\$ 2,252,251</u>	<u>\$ 652,342</u>

Mundelein Crossing Occupational Tax Special	Dive Boat	Trans- portation	Capital Develop- ment	Stormwater Management	Tree	Tax Increment Finance Area #2	Super- valu Occupational Tax Special	Totals
\$ 85,878	\$ 2,411	\$ 699,786	\$ 2,915,327	\$ 607,002	\$ 451,043	\$ 58,753	\$ 67,930	\$ 8,995,388
-	-	-	-	-	-	145,590	-	2,580,589
-	-	-	-	-	-	-	-	445
-	-	-	19,841	-	-	-	-	19,841
263,472	-	-	-	46,090	-	-	-	309,562
-	-	-	-	-	-	-	-	73,505
<u>\$ 349,350</u>	<u>\$ 2,411</u>	<u>\$ 699,786</u>	<u>\$ 2,935,168</u>	<u>\$ 653,092</u>	<u>\$ 451,043</u>	<u>\$ 204,343</u>	<u>\$ 67,930</u>	<u>\$ 11,979,330</u>
\$ -	\$ -	\$ -	\$ 92,880	\$ 36,490	\$ 18,556	\$ -	\$ -	\$ 149,679
-	-	-	-	-	-	-	-	55,633
-	-	-	-	-	-	145,590	-	2,580,589
-	-	-	-	-	-	46,090	-	46,090
349,350	-	-	23,990	-	-	-	67,930	441,270
<u>349,350</u>	<u>-</u>	<u>-</u>	<u>116,870</u>	<u>36,490</u>	<u>18,556</u>	<u>191,680</u>	<u>67,930</u>	<u>3,273,261</u>
-	-	535,000	2,818,298	663,092	-	58,510	-	6,976,944
-	2,411	164,786	-	(46,490)	432,487	(45,847)	-	1,729,125
-	2,411	699,786	2,818,298	616,602	432,487	12,663	-	8,706,069
<u>\$ 349,350</u>	<u>\$ 2,411</u>	<u>\$ 699,786</u>	<u>\$ 2,935,168</u>	<u>\$ 653,092</u>	<u>\$ 451,043</u>	<u>\$ 204,343</u>	<u>\$ 67,930</u>	<u>\$ 11,979,330</u>

Village of Mundelein, Illinois

Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended April 30, 2007

	Road and Bridge	Illinois Municipal Retirement	Social Security	Train Station Parking	Motor Fuel Tax	911 Surcharge	Mundelein Crossing Occupational Tax Special
Revenues							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 2,222	\$ -	\$ -
Intergovernmental	-	-	-	-	926,555	-	-
Fees	-	-	-	57,717	-	-	-
Taxes	814,655	589,089	937,619	-	-	214,270	565,155
Interest	40,997	11,570	21,656	19,208	82,226	30,475	356
Total revenues	855,652	600,659	959,275	76,925	1,011,003	244,745	565,511
Expenditures							
Current							
General government	-	-	-	-	-	-	565,511
Public safety	-	-	-	-	-	166,341	-
Public works							
Highways and streets	799,109	-	-	-	74,982	-	-
Buildings and grounds	-	-	-	21,985	-	-	-
Pension contributions	-	610,247	841,369	-	-	-	-
Total expenditures	799,109	610,247	841,369	21,985	74,982	166,341	565,511
Excess (deficiency) of revenues over expenditures before other financing uses	56,543	(9,588)	117,906	54,940	936,021	78,404	-
Other financing uses							
Transfer to other funds	-	-	-	-	-	-	-
Net change in fund balance	56,543	(9,588)	117,906	54,940	936,021	78,404	-
Fund balances - beginning	505,626	55,879	72,460	368,012	1,316,230	571,389	-
Fund balances - ending	\$ 562,169	\$ 46,291	\$ 190,366	\$ 422,952	\$ 2,252,251	\$ 649,793	\$ -

Dive Boat	Transportation	Capital Development	Stormwater Management	Tree	Tax Increment Finance Area #2	Super-valuation Occupational Tax Special	Totals
\$ -	\$ 6,017	\$ 707,662	\$ 766,608	\$ 202,782	\$ -	\$ -	\$ 1,685,291
-	-	-	-	-	-	-	926,555
-	-	-	-	-	-	-	57,717
-	-	-	-	-	182,843	-	3,303,631
119	35,059	99,595	17,096	16,118	243	3,044	377,762
119	41,076	807,257	783,704	218,900	183,086	3,044	6,350,956
-	8,463	5,806	54,639	-	22,638	3,044	660,101
-	-	101,933	-	-	-	-	268,274
-	-	-	288,435	128,502	-	-	1,291,028
-	-	395,415	-	-	-	-	417,400
-	-	-	-	-	-	-	1,451,616
-	8,463	503,154	343,074	128,502	22,638	3,044	4,088,419
119	32,613	304,103	440,630	90,398	160,448	-	2,262,537
-	-	(90,000)	-	-	-	-	(90,000)
119	32,613	214,103	440,630	90,398	160,448	-	2,172,537
2,292	667,173	2,604,195	175,972	342,089	(147,785)	-	6,533,532
\$ 2,411	\$ 699,786	\$ 2,818,298	\$ 616,602	\$ 432,487	\$ 12,663	\$ -	\$ 8,706,069

Village of Mundelein, Illinois

Road and Bridge Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 814,655
Interest	5,000	5,000	40,997
Total revenues	<u>1,205,000</u>	<u>1,205,000</u>	<u>855,652</u>
Expenditures			
Highways and streets			
Professional services	-	-	476,397
Streets	1,200,000	1,200,000	322,712
Total expenditures	<u>1,200,000</u>	<u>1,200,000</u>	<u>799,109</u>
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	56,543
Fund balance - beginning			<u>505,626</u>
Fund balance - ending			<u>\$ 562,169</u>

Village of Mundelein, Illinois

Illinois Municipal Retirement Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual
 Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 900,000	\$ 900,000	\$ 589,089
Interest	2,000	2,000	11,570
Total revenues	<u>902,000</u>	<u>902,000</u>	<u>600,659</u>
Expenditures			
Pension Contributions			
Administration	105,285	105,285	71,389
Finance	52,791	52,791	35,795
Water	7,352	7,352	4,985
Village Clerk	20,051	20,051	13,596
Building Inspection	120,320	120,320	81,583
Engineering	56,361	56,361	38,216
Executive	59,429	59,429	40,296
Police Department	201,542	201,542	136,656
Fire Department	8,749	8,749	5,932
Public Works Administration	66,968	66,968	45,408
Building and Grounds	20,717	20,717	14,047
Motor Vehicle	47,728	47,728	32,362
Streets	132,707	132,707	89,982
Total expenditures	<u>900,000</u>	<u>900,000</u>	<u>610,247</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	(9,588)
Fund balance - beginning			<u>55,879</u>
Fund balance - ending			<u>\$ 46,291</u>

Village of Mundelein, Illinois

Social Security Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 937,619
Interest	3,000	3,000	21,656
Total revenues	<u>1,103,000</u>	<u>1,103,000</u>	<u>959,275</u>
Expenditures			
Pension Contributions			
Executive	39,106	39,106	28,611
Administration	65,554	65,554	47,961
Administration Finance	31,732	31,732	23,216
Water Finance	4,587	4,587	3,356
Village Clerk	16,801	16,801	12,292
Building Inspection	76,415	76,415	55,907
Engineering	35,206	35,206	25,758
Police	528,376	528,376	386,573
Fire	185,516	185,516	135,728
Public Works Administration	40,491	40,491	29,624
Buildings and Grounds	11,715	11,715	8,571
Motor Vehicle	30,429	30,429	22,263
Streets	84,072	84,072	61,509
Total expenditures	<u>1,150,000</u>	<u>1,150,000</u>	<u>841,369</u>
Net change in fund balance	<u>\$ (47,000)</u>	<u>\$ (47,000)</u>	117,906
Fund balance - beginning			<u>72,460</u>
Fund balance - ending			<u>\$ 190,366</u>

Village of Mundelein, Illinois

Train Station Parking Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Fees	\$ 65,000	\$ 65,000	\$ 57,717
Interest	5,000	5,000	19,208
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>76,925</u>
Expenditures			
Buildings and grounds	<u>100,000</u>	<u>100,000</u>	<u>21,985</u>
Net change in fund balance	<u>\$ (30,000)</u>	<u>\$ (30,000)</u>	54,940
Fund balance - beginning			<u>368,012</u>
Fund balance - ending			<u>\$ 422,952</u>

Village of Mundelein, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance – Budget and Actual

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 4,000	\$ 4,000	\$ 2,222
Intergovernmental			
Allotments - State of Illinois	1,000,000	1,000,000	926,555
Interest	10,000	10,000	82,226
Total revenues	<u>1,014,000</u>	<u>1,014,000</u>	<u>1,011,003</u>
Expenditures			
Highways and Streets			
Streets	<u>500,000</u>	<u>500,000</u>	<u>74,982</u>
Net change in fund balance	<u>\$ 514,000</u>	<u>\$ 514,000</u>	936,021
Fund balance - beginning			<u>1,316,230</u>
Fund balance - ending			<u>\$ 2,252,251</u>

Village of Mundelein, Illinois

911 Surcharge Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance – Budget and Actual

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 250,000	\$ 250,000	\$ 214,270
Interest	7,000	7,000	30,475
Total revenues	<u>257,000</u>	<u>257,000</u>	<u>244,745</u>
Expenditures			
Public safety			
Police	<u>250,000</u>	<u>250,000</u>	<u>166,341</u>
Net change in fund balance	<u>\$ 7,000</u>	<u>\$ 7,000</u>	78,404
Fund balance - beginning			<u>571,389</u>
Fund balance - ending			<u>\$ 649,793</u>

Village of Mundelein, Illinois

**Mundelein Crossing Occupational Tax Special Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual
 Year Ended April 30, 2007**

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 750,000	\$ 750,000	\$ 565,155
Interest	-	-	356
Total Revenues	<u>750,000</u>	<u>750,000</u>	<u>565,511</u>
Expenditures			
General government			
Economic Incentive Agreement	800,000	800,000	565,511
	<u>800,000</u>	<u>800,000</u>	<u>565,511</u>
Net change in fund balance	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	-
Fund balance - beginning			<u>-</u>
Fund balance - ending			<u>\$ -</u>

Village of Mundelein, Illinois

Dive Boat Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance – Budget and Actual

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 100	\$ 100	\$ 119
Expenditures			
Public safety			
Fire	2,000	2,000	-
Net change in fund balance	<u>\$ (1,900)</u>	<u>\$ (1,900)</u>	119
Fund balance - beginning			<u>2,292</u>
Fund balance - ending			<u>\$ 2,411</u>

Village of Mundelein, Illinois

Transportation Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual
 Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 200,000	\$ 200,000	\$ 6,017
Interest	7,000	7,000	35,059
Total revenues	<u>207,000</u>	<u>207,000</u>	<u>41,076</u>
Expenditures			
Highways and streets			
Streets	200,000	200,000	8,463
Net change in fund balance	<u>\$ 7,000</u>	<u>\$ 7,000</u>	32,613
Fund balance - beginning			<u>667,173</u>
Fund balance - ending			<u>\$ 699,786</u>

Village of Mundelein, Illinois

Capital Development Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual
 Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 1,000,000	\$ 1,000,000	\$ 707,662
Interest	30,000	30,000	99,595
Total revenues	<u>1,030,000</u>	<u>1,030,000</u>	<u>807,257</u>
Expenditures			
General government			
Engineering	500,000	500,000	5,806
Public safety			
Fire	-	-	101,933
Public works			
Buildings and grounds	2,500,000	2,500,000	395,415
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>503,154</u>
Excess (deficiency) of revenues over expenditures before other financing uses	(1,970,000)	(1,970,000)	304,103
Other financing uses			
Transfer to other funds	-	-	(90,000)
Net change in fund balance	<u>\$ (1,970,000)</u>	<u>\$ (1,970,000)</u>	214,103
Fund balance - beginning			<u>2,604,195</u>
Fund balance - ending			<u><u>\$ 2,818,298</u></u>

Village of Mundelein, Illinois

Stormwater Management Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 100,000	\$ 100,000	\$ 766,608
Interest	2,000	2,000	17,096
Total revenues	<u>102,000</u>	<u>102,000</u>	<u>783,704</u>
Expenditures			
General government			
Engineering	70,000	70,000	54,639
Public works			
Buildings and grounds	100,000	100,000	288,435
Total expenditures	<u>170,000</u>	<u>170,000</u>	<u>343,074</u>
Net change in fund balance	<u>\$ (68,000)</u>	<u>\$ (68,000)</u>	440,630
Fund balance - beginning			<u>175,972</u>
Fund balance - ending			<u>\$ 616,602</u>

Village of Mundelein, Illinois

Tree Fund

Schedule of Revenues, Expenditures, and Changes in

Fund Balance – Budget and Actual

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Charges for services	\$ 75,000	\$ 75,000	\$ 202,782
Interest	4,000	4,000	16,118
Total revenues	<u>79,000</u>	<u>79,000</u>	<u>218,900</u>
Expenditures			
Highways and streets			
Streets	<u>200,000</u>	<u>200,000</u>	<u>128,502</u>
Net change in fund balance	<u>\$ (121,000)</u>	<u>\$ (121,000)</u>	<u>90,398</u>
Fund balance - beginning			<u>342,089</u>
Fund balance - ending			<u>\$ 432,487</u>

Village of Mundelein, Illinois

Tax Increment Finance Area #2
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 200,000	\$ 200,000	\$ 182,843
Interest	-	-	243
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>183,086</u>
Expenditures			
General government			
Professional services	<u>190,000</u>	<u>190,000</u>	<u>22,638</u>
Net change in fund balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>	160,448
Fund balance - beginning			<u>(147,785)</u>
Fund balance - ending			<u>\$ 12,663</u>

Village of Mundelein, Illinois

Supervalu Occupational Tax Special Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 100,000	\$ 100,000	\$ -
Interest	-	-	3,044
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>3,044</u>
Expenditures			
General government			
Economic Development Agreement	<u>150,000</u>	<u>150,000</u>	<u>3,044</u>
Net change in fund balance	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	-
Fund balance - beginning			<u>-</u>
Fund balance - ending			<u>\$ -</u>

MAJOR DEBT SERVICE FUND

General Obligation Bond Fund – To accumulate monies for the payment of the \$5,000,000 General Obligation bonds Series 1998, which are due in annual installments, plus interest until maturity in 2017; to accumulate monies for the payment of the \$7,000,000 General Obligation bonds Series 1999, which are due in annual installments plus interest until maturity in 2018; and to accumulate monies for the payment of the \$5,000,000 General Obligation bonds Series 2005, which are due in annual installments plus interest until maturity in 2024. Financing is provided by specific annual property tax levies. Property taxes levied in excess of actual requirements are legally restricted to servicing this debt. The 1998 bonds were issued to pay the cost of the construction of a satellite fire station and headquarters fire station. The 1999 bonds were issued to pay the final cost of the headquarters fire station, the cost of land acquisition and constructing a new police station. The 2005 bonds were issued to pay for land acquisition and capital improvements.

Village of Mundelein, Illinois

General Obligation Bond Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance –

Budget and Actual

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 1,900,000	\$ 1,900,000	\$ 1,376,315
Interest	10,000	10,000	39,322
Total revenues	<u>1,910,000</u>	<u>1,910,000</u>	<u>1,415,637</u>
Expenditures			
Debt service			
Principal retirement	750,000	750,000	730,000
Interest	950,000	950,000	835,270
Fiscal charges	100,000	100,000	3,190
Total expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,568,460</u>
Excess (deficiency) of revenues over expenditures before other financing sources	110,000	110,000	(152,823)
Other financing sources			
Transfer from other funds	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Net change in fund balance	<u>\$ 410,000</u>	<u>\$ 410,000</u>	147,177
Fund balance - beginning			<u>622,723</u>
Fund balance - ending			<u>\$ 769,900</u>

MAJOR CAPITAL PROJECTS FUND

Capital Project Fund – To account for the expenditures associated with land acquisition and capital improvements.

Village of Mundelein, Illinois

Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Revenues			
Interest	\$ 150,000	\$ 150,000	\$ 110,029
Expenditures			
Current			
Public works	<u>2,700,000</u>	<u>4,200,000</u>	<u>3,182,842</u>
Excess (deficiency) of revenues over expenditures before other financing sources	(2,550,000)	(4,050,000)	(3,072,813)
Other financing sources			
Transfer from other funds	<u>-</u>	<u>-</u>	<u>1,567,764</u>
Net change in fund balance	<u>\$ (2,550,000)</u>	<u>\$ (4,050,000)</u>	(1,505,049)
Fund balance - beginning			<u>2,492,993</u>
Fund balance - ending			<u>\$ 987,944</u>

ENTERPRISE FUND

Waterworks and Sewerage Fund – To account for the provision of water and sewer services to the residents of the Village and some residents of the County. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Village of Mundelein, Illinois

Enterprise Fund - Waterworks and Sewerage Fund

Schedule of Net Assets - By Department

April 30, 2007

	Operations and Maintenance	Sewer Additions and Expansions	Water Additions and Expansion	Depreciation	Totals
Assets					
Current					
Cash and investments	\$ 270,532	\$ 3,556,546	\$ 1,983,862	\$ 2,270,577	\$ 8,081,517
Accounts receivable	1,040,320	-	-	-	1,040,320
Accrued interest receivable	-	20,932	10,658	-	31,590
Prepaid expenses	61,513	-	-	-	61,513
	<u>1,372,365</u>	<u>3,577,478</u>	<u>1,994,520</u>	<u>2,270,577</u>	<u>9,214,940</u>
Noncurrent					
Capital assets - net	<u>34,040,440</u>	-	-	-	<u>34,040,440</u>
	<u>35,412,805</u>	<u>3,577,478</u>	<u>1,994,520</u>	<u>2,270,577</u>	<u>43,255,380</u>
Liabilities					
Current					
Accounts payable	313,448	87,761	57,179	337,141	795,529
Accrued payroll	57,360	-	-	-	57,360
Deposits payable	81,722	-	-	-	81,722
Compensated absences	68,338	-	-	-	68,338
IEPA loan payable	254,013	-	-	-	254,013
	<u>774,881</u>	<u>87,761</u>	<u>57,179</u>	<u>337,141</u>	<u>1,256,962</u>
Noncurrent					
IEPA loan payable	<u>3,157,364</u>	-	-	-	<u>3,157,364</u>
	<u>3,932,245</u>	<u>87,761</u>	<u>57,179</u>	<u>337,141</u>	<u>4,414,326</u>
Net Assets					
Invested in capital assets, net					
of related debt	30,629,063	-	-	-	30,629,063
Restricted for capital					
improvements	-	3,489,717	620,000	1,933,436	6,043,153
Unrestricted	851,497	-	1,317,341	-	2,168,838
	<u>\$ 31,480,560</u>	<u>\$ 3,489,717</u>	<u>\$ 1,937,341</u>	<u>\$ 1,933,436</u>	<u>\$ 38,841,054</u>

Village of Mundelein, Illinois

Enterprise Fund - Waterworks and Sewerage Fund
 Schedule of Revenues, Expenses and Changes in Net Assets - By Department
 Year Ended April 30, 2007

	Operations and Maintenance	Sewer Additions and Expansions	Water Additions and Expansion	Depreciation	Totals
Operating revenues					
Charges for services					
Water and sewer sales	\$ 6,015,578	\$ -	\$ -	\$ -	\$ 6,015,578
Operating expenses excluding depreciation	5,971,266	-	-	-	5,971,266
Operating income before depreciation	44,312	-	-	-	44,312
Depreciation	1,973,974	-	-	-	1,973,974
Operating loss	(1,929,662)	-	-	-	(1,929,662)
Nonoperating revenues (expenses)					
Expansion fees	-	112,500	60,558	-	173,058
Developer donations	-	-	100,000	-	100,000
Escrow transfer	-	-	-	405,500	405,500
Gain on disposal of capital assets	61,111	-	-	-	61,111
Interest income	56,263	229,404	48,350	97,118	431,135
Interest expense	(103,952)	-	-	-	(103,952)
	13,422	341,904	208,908	502,618	1,066,852
Income(loss) before transfers	(1,916,240)	341,904	208,908	502,618	(862,810)
Transfers in (out)	1,070,117	(280,847)	(331,365)	(457,905)	-
Change in net assets	(846,123)	61,057	(122,457)	44,713	(862,810)
Net assets - beginning	32,326,683	3,428,660	2,059,798	1,888,723	39,703,864
Net assets - ending	\$ 31,480,560	\$ 3,489,717	\$ 1,937,341	\$ 1,933,436	\$ 38,841,054

Village of Mundelein, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Revenues and Expenses and Nonoperating Revenues and Expenses

- Budget and Actual (Budgetary Basis)

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Operating revenues			
Charges for services			
Water and sewer sales	\$ 7,585,000	\$ 7,585,000	\$ 6,015,578
Operating expenses			
Excluding depreciation	7,336,000	7,276,000	5,971,266
Nonoperating revenues/expenses			
Expansion fees	850,000	850,000	173,058
Developer donations	-	-	100,000
Escrow transfer	-	-	405,500
Interest income	104,000	104,000	431,135
Interest expense	(108,000)	(108,000)	(103,952)
	846,000	846,000	1,005,741
Changes in net assets	\$ 1,095,000	\$ 1,155,000	\$ 1,050,053

Village of Mundelein, Illinois

Waterworks and Sewerage Fund
 Schedule of Operating Expenses - Budget and Actual
 Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Sewerage			
Administration			
Personal services	\$ 149,488	\$ 158,896	\$ 148,909
Fringe benefits	47,830	52,178	55,521
Professional development	2,473	2,473	1,226
Professional services	2,408	1,204	3,983
Property services	43,792	44,787	43,273
Maintenance services	12,042	9,748	5,965
Other services	1,515	1,515	808
Supplies	4,478	3,422	1,946
Safety equipment	1,103	1,103	524
Communications	3,675	3,675	1,890
Utilities	1,359	1,373	1,156
Contingent	273,000	273,000	241,857
Maintenance materials	2,299	1,642	1,658
Other equipment	-	-	5,551
	<u>545,462</u>	<u>555,016</u>	<u>514,267</u>
Uptown			
Personal services	330,351	351,139	329,070
Fringe benefits	146,144	159,430	169,644
Professional development	1,794	1,794	889
Professional services	377,815	266,692	73,648
Maintenance services	31,846	25,780	15,775
Other services	4,214	4,214	2,247
Supplies	6,153	4,702	2,674
Personal safety equipment	3,664	3,664	1,741
Communications	9,284	9,284	4,775
Utilities	13,752	13,889	11,694
Maintenance materials	24,141	17,243	17,410
Other equipment	312,000	297,000	49,425
Infrastructure improvement	1,786,154	1,847,692	-
	<u>3,047,312</u>	<u>3,002,523</u>	<u>678,992</u>

(Continued)

Village of Mundelein, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual - Continued

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Sewerage - Continued			
Sewer treatment plant			
Personal services	\$ 394,161	\$ 418,965	\$ 392,633
Fringe benefits	136,026	148,392	157,899
Professional development	1,733	1,733	859
Professional services	3,065	1,533	5,070
Property services	208	213	206
Maintenance services	61,112	49,472	30,272
Community services	1,000	2,000	300
Other services	7,271	7,271	3,877
Supplies	95,369	72,877	41,447
Personal safety equipment	5,233	5,233	2,486
Communications	2,041	2,041	1,050
Utilities	284,889	287,738	242,263
Maintenance materials	43,560	31,114	31,415
Other equipment	-	-	1,783
Infrastructure improvement	35,000	35,000	385,486
	<u>1,070,668</u>	<u>1,063,582</u>	<u>1,297,046</u>
Total sewerage	4,663,442	4,621,121	2,490,305
Less fixed assets capitalized	<u>(2,133,154)</u>	<u>(2,179,692)</u>	<u>(668,336)</u>
Net sewerage	<u>\$ 2,530,288</u>	<u>\$ 2,441,429</u>	<u>\$ 1,821,969</u>
Waterworks			
Administration			
Personal services	333,469	340,240	319,342
Fringe benefits	137,484	137,484	132,779
Professional development	4,410	4,410	2,733
Professional services	56	56	497
Property services	36,765	40,441	37,101
Maintenance services	3,413	3,413	1,774
Community services	2,752	2,752	1,913
Other services	9,976	9,976	19,118
Supplies	39,871	39,871	24,508
Safety equipment	649	649	322
Communications	3,933	3,933	3,546
Utilities	804	804	714

(Continued)

Village of Mundelein, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual - Continued

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Waterworks (Continued)			
Administration (Continued)			
Maintenance materials	\$ 215	\$ 215	\$ 138
Other equipment	66,546	41,546	12,482
Contingent	273,000	248,000	202,750
	<u>913,343</u>	<u>873,790</u>	<u>759,717</u>
Maintenance			
Personal services	590,438	602,426	565,425
Fringe benefits	224,867	224,867	217,172
Professional development	2,590	2,590	1,605
Professional services	313,656	352,515	193,710
Property services	13,235	14,559	13,356
Maintenance services	64,686	64,686	33,623
Community service	7,248	7,248	5,039
Other services	3,024	3,024	5,795
Supplies	30,129	10,129	6,226
Personal safety equipment	5,149	5,149	2,555
Communications	18,067	18,067	16,291
Utilities	139,196	139,196	123,657
Maintenance materials	98,497	98,497	63,327
Other commodities	1,000	1,000	260
Other equipment	23,454	23,454	17,694
Contingent	-	10,000	-
Infrastructure improvement	1,232,846	1,271,308	556,862
	<u>2,768,082</u>	<u>2,848,715</u>	<u>1,822,597</u>
Meter reading			
Personal services	61,093	62,334	58,505
Fringe benefits	7,649	7,649	7,387
Maintenance services	6,901	6,901	3,587
Personal safety equipment	202	202	100
Maintenance materials	21,288	21,288	13,687
	<u>97,133</u>	<u>98,374</u>	<u>83,266</u>

(Continued)

Village of Mundelein, Illinois

Waterworks and Sewerage Fund

Schedule of Operating Expenses - Budget and Actual - Continued

Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Waterworks - Continued			
JAWA water project			
Maintenance			
Utilities	\$ 2,350,000	\$ 2,350,000	\$ 2,043,276
Total waterworks	6,128,558	6,170,879	4,708,856
Less fixed assets capitalized	(1,322,846)	(1,336,308)	(559,559)
Net waterworks	\$ 4,805,712	\$ 4,834,571	\$ 4,149,297
Total expenses	\$ 7,336,000	\$ 7,276,000	\$ 5,971,266

TRUST AND AGENCY FUNDS

Pension Trust

Police Pension Fund – To account for the accumulation of resources to be used for disability and retirement annuity payments to uniformed police department personnel at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by laws and by the Village at amounts determined by the Department of Insurance of the State of Illinois from a specific annual property tax levy.

Firefighters' Pension Fund – To account for the accumulation of resources to be used for disability and retirement annuity payments to uniformed fire department personnel at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by laws and by the Village at amounts determined by the Department of Insurance of the State of Illinois from a specific annual property tax levy.

Agency

Special Assessments Fund – An agency fund used to account for the collection of special assessments from property owners and payments of related special assessment liabilities.

Deposits Fund – An agency fund used to account for the collection of security from property owners and developers to assure compliance with municipal codes.

Sewer Plant Expansion Fund – An agency fund used to account for funds collected by the Village from annexation fees, sewer expansion fees and interest which will be remitted to the developers responsible for construction costs for the sewer treatment plant expansion.

Reimbursement Escrow Fund – An agency fund used to account for the collection of security from prospective developers to assure payment of third party review process costs according to municipal ordinance.

18-Inch Sewer Recapture Fund – An agency fund used to account for funds collected by the Village from outside developers which will be remitted to the developers responsible for constructing the 18-inch sewer line.

Village of Mundelein, Illinois

Fiduciary Funds

Combining Statement of Fiduciary Net Assets - Pension Trust Funds

April 30, 2007

	Police Pension	Firefighters' Pension	Total
Assets			
Cash and investments			
Cash and equivalents	\$ 57,090	\$ 61,769	\$ 118,859
Investments			
U.S. government and agency obligations	6,135,776	6,033,001	12,168,777
Insurance company contracts	-	373,151	373,151
Money market funds	1,102,190	224,807	1,326,997
Mutual funds	1,854,594	3,593,959	5,448,553
Common stock	4,051,842	-	4,051,842
The Illinois Funds Investment Pool	1,949,005	525,564	2,474,569
	<u>15,150,497</u>	<u>10,812,251</u>	<u>25,962,748</u>
Receivables			
Pension contributions	877,464	413,421	1,290,885
Accrued interest	67,532	65,889	133,421
	<u>944,996</u>	<u>479,310</u>	<u>1,424,306</u>
Net Assets			
Held in trust for pension benefits	<u>\$ 16,095,493</u>	<u>\$ 11,291,561</u>	<u>\$ 27,387,054</u>

Village of Mundelein, Illinois

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Assets - Pension Trust Funds

Year Ended April 30, 2007

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions			
Employer	\$ 911,932	\$ 429,555	\$ 1,341,487
Participants	314,802	149,569	464,371
	<u>1,226,734</u>	<u>579,124</u>	<u>1,805,858</u>
Investment income			
Net appreciation in fair value of investments	624,092	368,241	992,333
Interest income	622,146	492,097	1,114,243
Less investment expenses	(75,498)	(37,601)	(113,099)
	<u>1,170,740</u>	<u>822,737</u>	<u>1,993,477</u>
Total additions	<u>2,397,474</u>	<u>1,401,861</u>	<u>3,799,335</u>
Deductions			
Administration	14,297	8,506	22,803
Pension benefits and refunds	1,179,274	322,943	1,502,217
Total deductions	<u>1,193,571</u>	<u>331,449</u>	<u>1,525,020</u>
Change in net assets	1,203,903	1,070,412	2,274,315
Net assets - beginning	<u>14,891,590</u>	<u>10,221,149</u>	<u>25,112,739</u>
Net assets - ending	<u>\$ 16,095,493</u>	<u>\$ 11,291,561</u>	<u>\$ 27,387,054</u>

Village of Mundelein, Illinois

Police Pension Fund

Schedule of Changes in Fiduciary Net Assets - Budget and Actual
Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 1,137,374	\$ 1,137,374	\$ 911,932
Participants	392,626	392,626	314,802
	<u>1,530,000</u>	<u>1,530,000</u>	<u>1,226,734</u>
Investment income			
Net appreciation in fair value of investments	-	-	624,092
Interest income	200,000	200,000	622,146
Less investment expenses	-	-	(75,498)
	<u>200,000</u>	<u>200,000</u>	<u>1,170,740</u>
Total additions	<u>1,730,000</u>	<u>1,730,000</u>	<u>2,397,474</u>
Deductions			
Administration	-	-	14,297
Pension benefits and refunds	2,000,000	2,000,000	1,179,274
Total deductions	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,193,571</u>
Change in net assets	<u>\$ (270,000)</u>	<u>\$ (270,000)</u>	1,203,903
Net assets - beginning			<u>14,891,590</u>
Net assets - ending			<u>\$ 16,095,493</u>

Village of Mundelein, Illinois

Firefighters' Pension Fund
 Schedule of Changes in Fiduciary Net Assets - Budget and Actual
 Year Ended April 30, 2007

	Original Budget	Final Budget	Actual
Additions			
Contributions			
Employer	\$ 567,425	\$ 567,425	\$ 429,555
Participants	197,575	197,575	149,569
	<u>765,000</u>	<u>765,000</u>	<u>579,124</u>
Investment income			
Net appreciation in fair value of investments	-	-	368,241
Interest income	350,000	350,000	492,097
Less investment expenses	-	-	(37,601)
	<u>350,000</u>	<u>350,000</u>	<u>822,737</u>
Total additions	<u>1,115,000</u>	<u>1,115,000</u>	<u>1,401,861</u>
Deductions			
Administration	-	-	8,506
Pension benefits and refunds	700,000	700,000	322,943
	<u>700,000</u>	<u>700,000</u>	<u>331,449</u>
Total deductions	<u>700,000</u>	<u>700,000</u>	<u>331,449</u>
Change in net assets	<u>\$ 415,000</u>	<u>\$ 415,000</u>	1,070,412
Net assets - beginning			<u>10,221,149</u>
Net assets - ending			<u>\$ 11,291,561</u>

Village of Mundelein, Illinois

Agency Funds

Combining Statement of Assets and Liabilities
Year Ended April 30, 2007

	Special Assessments Fund	Deposits Fund	Reimbursement Escrow Fund	Totals
All Funds				
Assets				
Cash and investments	\$ 768,908	\$ 245,042	\$ 161,942	\$ 1,175,892
Due from other funds	-	-	55,000	55,000
Total assets	<u>\$ 768,908</u>	<u>\$ 245,042</u>	<u>\$ 216,942</u>	<u>\$ 1,230,892</u>
Liabilities				
Deposits payable	\$ -	\$ 245,042	\$ 131,942	\$ 376,984
Other liabilities	768,908	-	-	768,908
Due to other funds	-	-	85,000	85,000
Total liabilities	<u>\$ 768,908</u>	<u>\$ 245,042</u>	<u>\$ 216,942</u>	<u>\$ 1,230,892</u>

Village of Mundelein, Illinois

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities
Year Ended April 30, 2007

	Balances May 1	Additions	Deductions	Balances April 30
All Funds				
Assets				
Cash and investments	\$ 944,597	\$ 555,357	\$ 324,062	\$ 1,175,892
Due from other funds	-	55,000	-	55,000
Total assets	<u>\$ 944,597</u>	<u>\$ 610,357</u>	<u>\$ 324,062</u>	<u>\$ 1,230,892</u>
Liabilities				
Deposits payable	\$ 207,520	\$ 493,526	\$ 324,062	\$ 376,984
Other liabilities	737,077	31,831	-	768,908
Due to other funds	-	85,000	-	85,000
Total liabilities	<u>\$ 944,597</u>	<u>\$ 610,357</u>	<u>\$ 324,062</u>	<u>\$ 1,230,892</u>
Special Assessments Fund				
Assets				
Cash and investments	\$ 737,077	\$ 31,831	\$ -	\$ 768,908
Liabilities				
Other liabilities	\$ 737,077	\$ 31,831	\$ -	\$ 768,908
Total liabilities	<u>\$ 737,077</u>	<u>\$ 31,831</u>	<u>\$ -</u>	<u>\$ 768,908</u>

(Continued)

Village of Mundelein, Illinois

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities (Cont.)
Year Ended April 30, 2007

	Balances May 1	Additions	Deductions	Balances April 30
Deposits Fund				
Assets				
Cash and investments	\$ 149,437	\$ 97,536	\$ 1,931	\$ 245,042
Liabilities				
Deposits payable	\$ 149,437	\$ 97,536	\$ 1,931	\$ 245,042
Sewer Plant Expansion Fund				
Assets				
Cash and investments	\$ 73	\$ -	\$ 73	\$ -
Liabilities				
Deposits payable	\$ 73	\$ -	\$ 73	\$ -
Reimbursement Escrow Fund				
Assets				
Cash and investments	\$ 58,010	\$ 149,451	\$ 45,519	\$ 161,942
Due from other funds	-	55,000	-	55,000
Total assets	\$ 58,010	\$ 204,451	\$ 45,519	\$ 216,942
Liabilities				
Deposits payable	\$ 58,010	\$ 119,451	\$ 45,519	\$ 131,942
Due to other funds	-	85,000	-	85,000
Total assets	\$ 58,010	\$ 204,451	\$ 45,519	\$ 216,942

(Continued)

Village of Mundelein, Illinois

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities (Cont.)
Year Ended April 30, 2007

	Balances May 1	Additions	Deductions	Balances April 30
18-Inch Sewer Recapture Fund				
Assets				
Cash and investments	\$ -	\$ 276,539	\$ 276,539	\$ -
Liabilities				
Deposits payable	\$ -	\$ 276,539	\$ 276,539	\$ -

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

Village of Mundelein, Illinois

Capital Assets Used in the Operation of Governmental Funds

Schedule of Capital Assets by Fund

April 30, 2007

Assets

Governmental funds capital assets

Land	\$	41,047,439
Buildings		19,649,172
Land improvements		2,631,260
Machinery and equipment		6,807,019
Sidewalks		5,441,334
Streets, curbs and gutters		27,311,888
Traffic signals		310,488
Storm sewers		11,703,347
Construction in process		4,420,565

Total governmental funds capital assets \$ 119,322,512

Investment in Governmental Funds Capital Assets By Fund

General Fund	\$	94,526,435
Special Revenue Fund		3,854,514
Capital Project Fund		20,941,563

Total governmental funds capital assets \$ 119,322,512

Village of Mundelein, Illinois

Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 April 30, 2007

	Land	Buildings	Land Improvements	Machinery and Equipment	Sidewalks	Streets, Curbs and Gutters	Traffic Signals	Storm Sewers	Construction in Process	Total
General government	\$ 38,812,155	\$ 4,780,380	\$ 1,521,515	\$ 571,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,685,053
Public safety	2,235,284	13,378,774	-	3,958,194	-	-	-	-	-	19,572,252
Public works	-	1,490,018	1,109,745	2,277,822	5,441,334	27,311,888	310,488	11,703,347	4,420,565	54,065,207
	<u>\$ 41,047,439</u>	<u>\$ 19,649,172</u>	<u>\$ 2,631,260</u>	<u>\$ 6,807,019</u>	<u>\$ 5,441,334</u>	<u>\$ 27,311,888</u>	<u>\$ 310,488</u>	<u>\$ 11,703,347</u>	<u>\$ 4,420,565</u>	<u>\$ 119,322,512</u>

Village of Mundelein, Illinois

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 Year Ended April 30, 2007

	Balance May 1, 2006	Additions	Deletions and Transfers	Balance April 30, 2007
General government	\$ 45,451,003	\$ 247,490	\$ 13,440	\$ 45,685,053
Public safety	19,439,144	227,638	94,530	19,572,252
Public works	50,015,899	4,386,975	337,667	54,065,207
	<u>\$ 114,906,046</u>	<u>\$ 4,862,103</u>	<u>\$ 445,637</u>	<u>\$ 119,322,512</u>

OTHER SUPPLEMENTAL DATA

Village of Mundelein, Illinois

Long-Term Debt Requirements
 General Obligation Bond Series of 1998

April 30, 2007

Date of Issue	August 1, 1998
Date of Maturity	December 1, 2018
Authorized Issue	\$5,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	Varies from 4.6% to 4.625%
Interest Dates	June 1 and December 1
Call Date	December 1, 2007

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2006	\$ 320,000	\$ 223,810	\$ 543,810	2007	\$ 111,905	2007	\$ 111,905
2007	330,000	208,820	538,820	2008	104,410	2008	104,410
2008	345,000	193,210	538,210	2009	96,605	2009	96,605
2009	365,000	176,792	541,792	2010	88,396	2010	88,396
2010	380,000	159,564	539,564	2011	79,782	2011	79,782
2011	400,000	141,526	541,526	2012	70,763	2012	70,763
2012	420,000	122,564	542,564	2013	61,282	2013	61,282
2013	440,000	102,676	542,676	2014	51,338	2014	51,338
2014	465,000	81,748	546,748	2015	40,874	2015	40,874
2015	485,000	59,778	544,778	2016	29,889	2016	29,889
2016	510,000	36,770	546,770	2017	18,385	2017	18,385
2017	540,000	12,488	552,488	2018	6,244	2018	6,244
	<u>\$ 5,000,000</u>	<u>\$ 1,519,746</u>	<u>\$ 6,519,746</u>		<u>\$ 759,873</u>		<u>\$ 759,873</u>

Village of Mundelein, Illinois

Long-Term Debt Requirements

General Obligation Bond Series of 1999

April 30, 2007

Date of Issue	January 15, 1999
Date of Maturity	December 1, 2019
Authorized Issue	\$7,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	Varies from 4.4% to 4.5%
Interest Dates	June 1 and December 1
Call Date	December 1, 2010

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2006	\$ 345,000	\$ 285,040	\$ 630,040	2007	\$ 142,520	2007	\$ 142,520
2007	365,000	269,420	634,420	2008	134,710	2008	134,710
2008	385,000	252,920	637,920	2009	126,460	2009	126,460
2009	395,000	235,760	630,760	2010	117,880	2010	117,880
2010	415,000	217,940	632,940	2011	108,970	2011	108,970
2011	435,000	199,240	634,240	2012	99,620	2012	99,620
2012	455,000	179,660	634,660	2013	89,830	2013	89,830
2013	475,000	158,962	633,962	2014	79,481	2014	79,481
2014	495,000	137,138	632,138	2015	68,569	2015	68,569
2015	520,000	114,300	634,300	2016	57,150	2016	57,150
2016	545,000	90,338	635,338	2017	45,169	2017	45,169
2017	570,000	65,260	635,260	2018	32,630	2018	32,630
2018	1,165,000	26,212	1,191,212	2019	13,106	2019	13,106
	<u>\$ 6,565,000</u>	<u>\$ 2,232,190</u>	<u>\$ 8,797,190</u>		<u>\$ 1,116,095</u>		<u>\$ 1,116,095</u>

Village of Mundelein, Illinois

Long-Term Debt Requirements
General Obligation Bond Series of 2005

April 30, 2007

Date of Issue	June 15, 2005
Date of Maturity	December 1, 2025
Authorized Issue	\$5,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	Varies from 3.5% to 4.2%
Interest Dates	June 1 and December 1
Call Date	December 1, 2015

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	Dec. 1	Amount	June 1	Amount
2006	\$ 185,000	\$ 186,307	\$ 371,307	2007	\$ 93,153	2008	\$ 93,154
2007	190,000	179,745	369,745	2008	89,872	2009	89,873
2008	195,000	173,008	368,008	2009	86,504	2010	86,504
2009	205,000	166,008	371,008	2010	83,004	2011	83,004
2010	210,000	158,745	368,745	2011	79,372	2012	79,373
2011	215,000	151,307	366,307	2012	75,653	2013	75,654
2012	225,000	143,608	368,608	2013	71,804	2014	71,804
2013	235,000	135,558	370,558	2014	67,779	2015	67,779
2014	240,000	127,245	367,245	2015	63,622	2016	63,623
2015	250,000	118,045	368,045	2016	59,022	2017	59,023
2016	260,000	107,844	367,844	2017	53,921	2018	53,923
2017	270,000	97,245	367,245	2018	48,622	2019	48,623
2018	280,000	86,245	366,245	2019	43,122	2020	43,123
2019	290,000	74,845	364,845	2020	37,422	2021	37,423
2020	305,000	62,754	367,754	2021	31,377	2022	31,377
2021	315,000	49,967	364,967	2022	24,984	2023	24,983
2022	330,000	36,540	366,540	2023	18,270	2024	18,270
2023	345,000	22,365	367,365	2024	11,182	2025	11,183
2024	360,000	7,560	367,560	2025	7,560		-
	<u>\$ 4,905,000</u>	<u>\$ 2,084,941</u>	<u>\$ 6,989,941</u>		<u>\$ 1,046,245</u>		<u>\$ 1,038,696</u>

Village of Mundelein, Illinois

Long-Term Debt Requirements
 Illinois Environmental Protection Agency Loan

April 30, 2007

Date of Issue	October 1, 1998
Date of Maturity	October 1, 2018
Authorized Issue	\$5,300,000
Interest Rate	2.89%
Interest Dates	April 1 and October 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Oct. 1	Amount	April 1	Amount
2008	\$ 254,013	\$ 96,767	\$ 350,780	2007	\$ 49,294	2008	\$ 47,472
2009	261,407	89,373	350,780	2008	45,624	2009	43,749
2010	269,017	81,763	350,780	2009	41,847	2010	39,917
2011	276,847	73,932	350,779	2010	37,959	2011	35,973
2012	284,906	65,874	350,780	2011	33,959	2012	31,915
2013	293,199	57,581	350,780	2012	29,842	2013	27,739
2014	301,734	49,046	350,780	2013	25,605	2014	23,441
2015	310,517	40,263	350,780	2014	21,245	2015	19,018
2016	319,556	31,224	350,780	2015	16,758	2016	14,466
2017	328,858	21,922	350,780	2016	12,141	2017	9,782
2018	338,430	12,350	350,780	2017	7,389	2018	4,961
2019	172,893	2,498	175,391	2018	2,498	2019	-
	<u>\$ 3,411,377</u>	<u>\$ 622,593</u>	<u>\$ 4,033,970</u>		<u>\$ 324,160</u>		<u>\$ 298,433</u>

Village of Mundelein, Illinois

Schedule of Insurance in Force

April 30, 2007

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois, which have formed an association under the Illinois Intergovernmental Cooperation's Statute to pool their risk management needs. The Agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Policy	Coverage/Limits of Liability
General Liability	\$ 10,000,000
Police Professional	
Employee Benefits	
Professional liability (Fire/Paramedic)	
Auto Liability	10,000,000
Uninsured/under-insured Motorist	500,000
Public Officials Liability	10,000,000
Worker's Compensation	51,500,000
Employer's Liability	1,000,000
First Party Property - All Risk	\$ 250,000,000 per occurrence
Boiler/Machinery	50,000,000
Crime	
Employee Theft	5,000,000
Forgery or Alteration	5,000,000
Credit Card Forgery	5,000,000
Computer Fraud	5,000,000
Inside Theft, Robbery, & Safe Burglary	2,500,000
Theft, Disappearance, Destruction	2,500,000
Public Officials Bonds	
Mayor/President, Treasurer, Clerk	Blanket: Statutory Limits
Special District Trustees	

Statistical Section

This part of the Village's 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.	110-114
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the Village's ability to generate its property and sales taxes.	115-122
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.	123-126
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 and to help make comparisons over time and with other governments.	127-129
Operating Information These schedules contain information about the Village's operations and resources to help the reader understand how the Village's financial information relates to the services the Village provides and the activities it performs.	130-132
Equalized Assessed Valuation These schedules contain information that reflects land parcel information for the Village.	133-137
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.	

Village of Mundelein, Illinois

Net Assets by Component
Last Four Fiscal Years
April 30, 2007

Fiscal Year	2004	2005	2006	2007
Governmental Activities				
Invested in Capital Assets Net of Related Debt	\$ 69,385,858	\$ 68,739,066	\$ 70,557,352	\$ 74,021,280
Restricted	6,725,984	7,489,991	8,446,938	8,625,537
Unrestricted	9,197,838	9,499,158	8,653,398	14,310,307
Total Governmental Activities	\$ 85,309,680	\$ 85,728,215	\$ 87,657,688	\$ 96,957,124
Business-type Activities				
Invested in Capital Assets Net of Related Debt	\$ 32,004,584	\$ 31,907,537	\$ 31,067,204	\$ 30,629,063
Restricted	8,782,384	6,992,040	7,367,181	6,043,153
Unrestricted	828,958	1,139,053	1,269,479	2,168,838
Total Business-type Activities	\$ 41,615,926	\$ 40,038,630	\$ 39,703,864	\$ 38,841,054
Primary Government				
Invested in Capital Assets Net of Related Debt	\$ 101,390,442	\$ 100,646,603	\$ 101,624,556	\$ 104,650,343
Restricted	15,508,368	14,482,031	15,814,119	14,668,690
Unrestricted	10,026,796	10,638,211	9,922,877	16,479,145
Total Primary Government	\$ 126,925,606	\$ 125,766,845	\$ 127,361,552	\$ 135,798,178

Data Source

Audited Financial Statements

Village of Mundelein, Illinois

Change in Net Assets
Last Four Fiscal Years
April 30, 2007

Fiscal Year	2004	2005	2006	2007
Expenses				
Governmental Activities				
General Government	\$ 5,380,331	\$ 6,863,715	\$ 2,839,261	\$ 6,809,545
Public Safety	9,646,621	10,312,722	12,610,092	12,265,903
Public Works	4,110,388	5,230,007	7,213,414	5,346,434
Interest	664,691	626,021	731,873	828,148
Total Governmental Activities Expenses	\$ 19,802,031	\$ 23,032,465	\$ 23,394,640	\$ 25,250,030
Business-type Activities				
Public Works	\$ 7,244,536	\$ 8,228,617	\$ 8,161,102	\$ 8,049,192
Interest Expense	124,310	-	-	-
Total Business-type Activities Expense	7,368,846	8,228,617	8,161,102	8,049,192
Total Primary Government Expenses	\$ 27,170,877	\$ 31,261,082	\$ 31,555,742	\$ 33,299,222
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 1,216,263	\$ 1,694,539	\$ 1,877,263	\$ 2,889,357
Public Safety	1,442,958	1,521,082	1,264,894	1,615,014
Public Works	646,862	935,363	319,937	3,297,684
Operating Grants and Contributions	185,476	419,928	1,153,965	139,488
Capital Grants and Contributions	-	-	-	2,782,928
Total Governmental Activities Program Revenues	\$ 3,491,559	\$ 4,570,912	\$ 4,616,059	\$ 10,724,471
Business-type Activities				
Charges for Services				
Public Works	\$ 5,358,998	\$ 5,617,299	\$ 6,352,770	\$ 6,015,578
Operating Grants and Contributions	-	-	-	100,000
Capital Grants and Contributions	-	-	-	-
Total Business-type Activities Program Revenues	5,358,998	5,617,299	6,352,770	6,115,578
Total Primary Government Program Revenues	\$ 8,850,557	\$ 10,188,211	\$ 10,968,829	\$ 16,840,049
Net (Expense) Revenue				
Governmental Activities	\$ (16,310,472)	\$ (18,461,553)	\$ (18,778,581)	\$ (14,525,559)
Business-type Activities	(2,009,848)	(2,611,318)	(1,556,230)	(1,933,614)
Total Primary Government Net (Expense) Revenue	\$ (18,320,320)	\$ (21,072,871)	\$ (20,334,811)	\$ (16,459,173)
General Revenues and Other Changes in Net Assets				

Village of Mundelein, Illinois

Change in Net Assets (Continued)
 Last Four Fiscal Years
 April 30, 2007

Fiscal Year	2004	2005	2006	2007
Governmental Activities				
Taxes				
Property tax	\$ 7,441,759	\$ 7,976,742	\$ 8,493,265	\$ 9,146,159
Sales tax	4,019,122	4,262,645	4,950,814	5,007,065
Home rule sales tax	2,172,446	2,397,425	2,760,846	3,588,815
Income tax	1,866,136	2,155,577	2,392,870	2,416,405
Motor Fuel tax	915,727	936,472	-	-
Use tax	321,626	325,559	378,753	405,575
Hotel occupation tax	255,814	280,831	318,703	336,284
9-1-1 surcharge tax	198,805	228,595	206,329	214,270
Road and Bridge tax	142,927	147,840	135,492	141,923
Replacement tax	47,029	50,577	110,046	120,040
Telecommunications tax	-	-	-	816,302
Other tax	647	1,883	136,125	187,176
Investment Income	146,194	306,741	655,041	1,207,127
Miscellaneous	178,877	141,150	169,770	237,854
Transfers in (out)	(618,398)	(331,949)	-	-
Total Governmental Activities	\$ 17,088,711	\$ 18,880,088	\$ 20,708,054	\$ 23,824,995
Business-type Activities				
Investment Earnings	\$ 105,543	\$ 140,913	\$ 280,857	\$ 431,135
Miscellaneous	144,180	561,160	940,607	639,669
Transfers in	618,398	331,949	-	0
Total Business-type Activities	868,121	1,034,022	1,221,464	1,070,804
Total Primary Government	\$ 17,956,832	\$ 19,914,110	\$ 21,929,518	\$ 24,895,799
Change in Net Assets				
Governmental Activities	\$ 778,239	\$ 418,535	\$ 1,929,473	\$ 9,299,436
Business-type Activities	(1,141,727)	(1,577,296)	(334,766)	(862,810)
Total Primary Government Change in Net Assets	\$ (363,488)	\$ (1,158,761)	\$ 1,594,707	\$ 8,436,626

Data Source

Audited Financial Statements

Village of Mundelein, Illinois

Fund Balances of Governmental Funds

Last Four Fiscal Years

April 30, 2007

Fiscal Year	2004	2005	2006	2007
General Fund				
Reserved	\$ 284,883	\$ 291,345	\$ 324,284	\$ 350,676
Unreserved	8,995,411	9,478,224	8,713,788	13,764,784
Total General Fund	\$ 9,280,294	\$ 9,769,569	\$ 9,038,072	\$ 14,115,460
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ 7,694,888
Unreserved, reported in:				
Special Revenue Funds	6,294,208	6,919,886	6,533,532	1,729,125
Capital Project Funds	-	-	2,492,993	
Debt Service Funds	683,824	565,828	622,723	769,900
Total All Other Governmental Funds	\$ 6,978,032	\$ 7,485,714	\$ 9,649,248	\$ 10,193,913

Data Source

Audited Financial Statements

Village of Mundelein, Illinois

Changes in Fund Balances of Governmental Funds

Last Four Fiscal Years

April 30, 2007

Fiscal Year	2004	2005	2006	2007
Revenues				
Taxes	\$ 16,466,311	\$ 17,827,674	\$ 19,883,243	\$ 22,380,014
Licenses and Permits	1,874,781	2,197,568	1,753,408	3,304,643
Intergovernmental	915,727	936,472	1,023,254	926,555
Fines and Forfeitures	641,884	728,147	701,062	730,693
Charges for Services	719,922	1,198,916	955,692	2,782,449
Investment Income	146,194	306,741	655,041	1,207,127
Fees	55,394	48,894	61,629	57,717
Grants	185,476	419,928	130,711	139,488
Donations	-	-	-	2,782,939
Miscellaneous	181,734	141,150	169,770	283,915
Total Revenues	21,187,423	23,805,490	25,333,810	34,595,540
Expenditures				
General Government	4,325,073	5,768,445	7,480,468	6,252,362
Public Safety	9,701,138	10,021,962	11,621,835	11,657,029
Public Works	4,399,037	4,533,487	8,307,805	7,774,020
Capital Outlay	45,936	-	-	-
Pension Contributions	1,016,993	1,110,127	1,298,481	1,451,616
Debt Service				
Principal	690,000	735,000	755,000	730,000
Interest and Fiscal Charges	677,184	639,512	599,399	838,460
Total Expenditures	20,855,361	22,808,533	30,062,988	28,703,487
Excess of Revenues over (under) Expenditures	332,062	996,957	(4,729,178)	5,892,053
Other Financing Sources (Uses)				
Transfers In	1,379,938	-	-	1,867,764
Transfers Out	(1,379,938)	-	-	(1,867,764)
Bonds Issued	-	-	5,000,000	-
Discount on Bonds Issued	-	-	(23,257)	-
Total Other Financing Sources (Uses)	-	-	4,976,743	-
Net Change in Fund Balances	\$ 332,062	\$ 996,957	\$ 247,565	\$ 5,892,053
Debt Service as a Percentage of				
Noncapital Expenditures	7.00%	6.40%	4.51%	5.46%

Data Source

Audited Financial Statements

Village of Mundelein

Assessed Value and Actual Value of Taxable Property

Last Ten Levy Years

April 30, 2007

Levy Year	Residential Property	Commercial Property	Industrial Property	Other Property	Equalized Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Equalization Factor
1997	\$ 427,885,674	\$ 71,813,343	\$ 46,160,405	\$ 163	\$ 514,886,588	\$ 7.943	\$ 1,716,116,998	33.33
1998	441,608,074	74,601,607	48,716,615	166	533,056,308	8.340	1,776,676,675	33.33
1999	448,095,741	77,148,085	52,939,867	-	546,309,205	8.288	1,820,848,580	33.33
2000	436,858,352	81,519,602	54,394,487	-	572,772,441	8.483	1,909,050,546	33.33
2001	462,862,110	87,375,045	59,802,795	-	610,039,950	8.495	2,033,263,153	33.33
2002	505,392,357	87,617,788	61,007,000	-	654,017,145	8.719	2,179,839,144	33.33
2003	553,108,822	91,477,583	63,747,112	-	708,333,517	9.125	2,360,875,612	33.33
2004	589,554,567	102,876,133	64,806,772	-	757,237,472	8.947	2,524,124,906	33.33
2005	627,440,518	110,339,786	67,716,040	-	805,496,344	8.328	2,684,987,813	33.33
2006	666,466,905	119,492,701	6,629,829	-	852,237,899	8.050	2,840,792,996	33.33

Data Source

Lake County Aggregate Property Tax Information Database

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

(1) Fremont Township

Village of Mundelein, Illinois

Property Tax Rates - Direct and Overlapping Governments

Last Ten Levy Years

April 30, 2007

Tax Levy Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Tax Rates per \$100 of EAV										
Direct Rates										
Village of Mundelein										
In Libertyville Township	\$ 0.973	1.266	1.180	1.164	1.146	1.142	1.131	1.137	1.134	1.123
In Fremont Township	0.970	1.262	1.173	1.158	1.142	1.138	1.127	1.140	1.137	1.127
In Vernon Township	0.983	1.275	1.186	1.171	1.155	1.151	1.139	1.146	1.143	1.132
Overlapping Rates										
Lake County	0.531	0.531	0.521	0.521	0.516	0.502	0.490	0.465	0.454	0.450
Lake County Forest Preserve District	0.155	0.157	0.187	0.231	0.221	0.232	0.225	0.219	0.210	0.204
Central Lake County Joint										
Water Action Water Agency	0.085	0.082	0.077	0.072	0.066	0.064	0.058	0.054	0.049	0.046
Libertyville Township	0.258	0.247	0.244	0.229	0.214	0.200	0.060	0.058	0.057	0.057
Libertyville Township Road and Bridge	0.052	0.050	0.044	0.043	0.042	0.042	0.042	0.043	0.042	0.042
Fremont Township	0.134	0.134	0.133	0.132	0.130	0.124	0.119	0.115	0.113	0.113
Fremont Township Road and Bridge	0.050	0.051	0.050	0.050	0.049	0.048	0.046	0.035	0.034	0.033
Fremont Gravel	0.100	0.100	0.100	0.100	0.100	0.094	0.090	0.096	0.095	0.095
Vernon Township	0.077	0.077	0.071	0.065	0.062	0.063	0.060	0.053	0.051	0.051
Vernon Township Road and Bridge	0.024	0.024	0.024	0.024	0.023	0.022	0.022	0.022	0.022	0.022
Vernon Gravel	0.020	0.020	0.020	0.020	0.020	0.020	0.019	0.020	0.020	0.021
Cook Memorial Library District	0.259	0.260	0.257	0.257	0.254	0.247	0.236	0.231	0.225	0.222
Fremont Library District	0.254	0.366	0.368	0.377	0.374	0.362	0.349	0.336	0.328	0.323
Vernon Area Library District	0.285	0.284	0.280	0.281	0.275	0.267	0.265	0.264	0.223	0.222
Mundelein Park and Rec. District	0.401	0.387	0.389	0.384	0.357	0.347	0.481	0.488	0.371	0.370
Vernon Hills Park District	-	-	0.380	0.360	0.352	0.340	0.373	0.346	0.334	0.351
School District #70	3.043	3.034	2.965	2.932	2.870	2.792	2.581	2.499	2.378	2.297
School District #73	3.563	3.567	3.480	3.401	3.292	3.201	3.086	2.990	2.922	2.887
School District #75	2.922	2.941	2.978	3.031	3.173	3.523	3.679	3.601	3.520	3.346
School District #76	3.430	3.436	3.477	3.763	3.686	3.542	3.617	3.550	3.452	3.375
School District #79	2.702	2.736	2.709	2.689	2.670	2.582	2.635	2.572	2.565	2.529
High School District #120	2.119	2.108	2.099	2.192	2.156	2.077	2.260	2.198	1.820	1.748
High School District #125	1.860	1.859	1.835	1.904	1.864	1.890	1.940	2.062	2.112	2.134
High School District #128	1.937	1.929	1.886	2.203	2.344	2.391	2.359	2.291	2.225	2.179
Community College District #532	0.222	0.221	0.213	0.235	0.211	0.208	0.201	0.200	0.197	0.195
Representative Tax Rate (Fremont Township)	7.943	8.340	8.288	8.483	8.495	8.719	9.125	8.947	8.328	8.050

Data Source

Lake County Clerk's Office

Village of Mundelein, Illinois

Principal Property Tax Payers
Last Two Tax Years
April 30, 2007

Taxpayer	Type of Business	2005			2006		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
1200 Town Line Road Assoc.	Medline Industries Hospital Supplies	\$ 7,099,290	1	0.88 %	\$ 7,188,018	1	0.84 %
Mundelein 83, LLC	Mundelein Crossings Subdivision and Commercial Vacant Properties	5,949,928	2	0.74	5,006,789	2	0.59
Centro Bradley Long Meadow LLC	Dominicks Supermarket	4,138,256	4	0.56	4,852,340	3	0.57
Target Corporation	Discount Department Store	4,495,214	3	0.51	4,637,423	4	0.54
Oak Creek Plaza, LLC	Strip Mall	3,979,387	5	0.49	3,976,337	5	0.57
Apex Investment Assn., Inc.	Retail Shopping Center Jewel (Supermarket)	3,210,816	6	0.40	3,299,431	6	0.39
Home Depot USA, Inc.	Home Improvement Center	-	-	0.30	2,609,739	7	0.31
Bossy Mundelein, LLC	Vacant Commercial Properties	-	-	0.29	2,572,143	8	0.30
Wintrust Asset Management Co.	Apartment Complexes - Shaddle and Orchard	2,389,049	7	0.26	2,454,986	9	0.29
JEH Ltd. Partnership	Commercial Parcels with Improvements	2,363,233	8	0.26	2,428,458	10	0.28
Sterling Bay, LLC	Office Building	2,110,547	9	-	-	-	-
Amcor Flexibles Healthcare, Inc.	Healthcare Packaging	2,110,547	10	-	-	-	-
		<u>\$ 37,846,267</u>		<u>4.69 %</u>	<u>\$ 39,025,664</u>		<u>4.68 %</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 have been overlooked.

Data Source

Lake County Clerk's Office

Village of Mundelein, Illinois

Property Tax Levies and Collections

Last Ten Levy Years

April 30, 2007

Fiscal Year End	Tax Levy Year	Tax Extension	Collected within the Fiscal Year after the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1998	1996	\$ 4,660,436	\$ 4,665,260	100.10	\$ -	\$ 4,665,260	100.10 %
1999	1997	5,006,380	5,028,577	100.44	-	5,028,577	100.44
2000	1998	6,741,268	6,739,615	99.98	-	6,739,615	99.98
2001	1999	6,428,481	6,436,377	100.12	-	6,436,377	100.12
2002	2000	6,651,699	6,644,652	99.89	-	6,644,652	99.89
2003	2001	6,982,396	6,972,383	99.86	-	6,972,383	99.86
2004	2002	7,459,496	7,441,760	99.76	-	7,441,760	99.76
2005	2003	8,000,338	7,974,870	99.68	-	7,974,870	99.68
2006	2004	8,627,947	8,616,911	99.87	-	8,616,911	99.87
2007	2005	9,153,561	9,146,160	99.92	-	9,146,160	99.92

Data Source

Lake County Tax Extension Office

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value.

Village of Mundelein, Illinois

Taxable Sales by Category
Last Ten Calendar Years
April 30, 2007

Municipal Sales Taxes

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Merchandise	\$ 328,939	\$ 205,594	\$ 133,105	\$ 89,045	\$ *	\$ *	\$ 17,060	\$ 151,865	\$ 543,433	\$ 609,120
Food	632,547	599,629	625,607	720,110	813,326	876,450	905,672	942,365	917,276	900,145
Drinking and Eating Places	281,937	304,610	316,501	335,254	333,621	366,423	362,057	387,481	416,629	447,447
Apparel	40,392	30,085	30,673	29,351	*	*	57,519	80,820	81,095	80,397
Furniture & H.H. & Radio	162,751	154,715	233,243	214,509	189,419	146,129	129,073	126,813	155,414	167,091
Lumber, Building Hardware	801,186	427,538	521,083	487,811	333,231	330,907	327,788	328,083	356,122	424,667
Automobile and Filling Stations	350,305	268,209	309,339	375,232	398,959	367,702	370,141	358,391	420,017	470,265
Drugs and Miscellaneous Retail	460,056	494,493	539,994	519,191	573,701	605,226	620,879	619,096	597,039	650,266
Agriculture and All Others	67,614	675,807	694,664	806,115	848,786	826,277	828,828	806,753	965,731	921,156
Manufacturers	254,854	276,357	270,650	256,315	247,654	231,077	258,005	278,588	268,106	335,057
Total	\$ 3,380,581	\$ 3,437,037	\$ 3,674,860	\$ 3,832,934	\$ 3,738,698	\$ 3,750,191	\$ 3,877,022	\$ 4,080,253	\$ 4,720,863	\$ 5,005,611

Homerule Sales Taxes

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Merchandise	\$ -	\$ -	\$ -	\$ 60,902	\$ *	\$ *	\$ 10,349	\$ 88,017	\$ 296,306	\$ 372,585
Food	-	-	-	138,942	151,073	176,603	175,229	196,030	181,422	205,642
Drinking and Eating Places	-	-	-	248,632	245,442	269,112	264,630	277,452	300,533	377,583
Apparel	-	-	-	21,949	*	*	43,116	60,542	60,734	71,355
Furniture & H.H. & Radio	-	-	-	154,982	140,953	109,024	96,095	94,925	116,476	145,825
Lumber, Building Hardware	-	-	-	329,308	248,685	247,224	244,634	244,756	265,570	369,047
Automobile and Filling Stations	-	-	-	237,928	245,893	218,476	217,316	211,496	261,514	345,581
Drugs and Miscellaneous Retail	-	-	-	263,361	271,057	288,711	307,150	319,301	299,972	380,527
Agriculture and All Others	-	-	-	550,259	616,674	592,873	597,527	584,150	705,505	787,246
Manufacturers	-	-	-	178,703	185,054	171,144	189,585	205,590	199,261	283,430
Total	\$ -	\$ -	\$ -	\$ 2,184,964	\$ 2,104,831	\$ 2,073,167	\$ 2,145,631	\$ 2,282,260	\$ 2,687,294	\$ 3,338,821
Village Direct Sales Tax Rate	0.970%	1.262%	1.173%	1.158%	1.142%	1.138%	1.127%	1.140%	1.137%	1.127%

Note: Aggregate prior to any sales tax sharing agreement reallocation.

* Blank categories have less than 4 taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers. Totals include censored data.

Data Source

Illinois Department of Revenue
www.revenue.state.il.us/taxstats

Village of Mundelein, Illinois

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

April 30, 2007

Tax Rate per \$100 of EAV

Fiscal Year		Village Direct Rate*		Overlap Rate
1998	\$	0.970	\$	7.943
1999		1.262		8.340
2000		1.173		8.288
2001		1.158		8.483
2002		1.142		8.495
2003		1.138		8.719
2004		1.127		9.125
2005		1.140		8.947
2006		1.137		8.328
2007		1.127		8.061

*Fremont Township

Data Source

Lake County Clerk's Office

Village of Mundelein, Illinois

Property Tax Assessed Valuations, Rates and Extensions

Last Ten Levy Years

April 30, 2007

Tax Levy Year	1997		1998		1999		2000		2001	
Assessed Valuations	\$514,886,588		\$533,056,308		\$546,309,205		\$572,772,441		\$610,039,950	
Percentage Increase from Prior Year	8.5170%		3.5289%		2.4862%		4.8440%		6.5065%	
	Rate	Amount								
Tax Extensions										
General	\$ 0.2140	1,101,857	0.5250	2,798,546	0.6860	3,747,681	0.6330	3,625,649	0.6290	3,837,151
Fire Protection	0.3000	1,544,660	0.1320	703,634	-	-	-	-	-	-
Road and Bridge -										
Libertyville Township	0.0780	152,240	0.0540	108,211	0.0560	112,559	0.0770	160,678	0.0790	176,497
Fremont Township	0.0750	204,444	0.0500	142,941	0.0490	145,819	0.0710	223,152	0.0750	250,720
Vernon Hills Township	0.0880	41,461	0.0630	29,473	0.0620	29,588	0.0840	41,834	0.0880	46,053
Illinois Municipal Retirement	0.0360	185,359	0.0390	207,892	0.0450	245,839	0.0430	246,292	0.0350	213,514
Social Security	0.0840	432,505	0.0950	506,404	0.0990	540,846	0.1110	635,777	0.1090	664,943
Municipal Audit	0.0050	25,744								
Debt Service	0.1490	767,181	0.3130	1,668,466	0.1840	1,005,209	0.1870	1,071,084	0.1720	1,049,269
Police Pension	0.0680	350,123	0.0690	367,809	0.0760	415,195	0.0740	423,852	0.0830	506,333
Firefighters' Pension	0.0390	200,806	0.0390	207,892	0.0340	185,745	0.0390	223,381	0.0390	237,916
Total Extension		5,006,380		6,741,268		6,428,481		6,651,699		6,982,396
Libertyville Township	0.9730		1.2660		1.1800		1.1640		1.1460	
Fremont Township	0.9700		1.2620		1.1730		1.1580		1.1420	
Vernon Hills Township	0.9830		1.2750		1.1860		1.1710		1.1550	
Uncollectible Provision	<u>1%</u>									

The Illinois Department of Revenue has established a multiplier for the 1999 tax year of 1.000 for Lake County.

Village of Mundelein, Illinois

Property Tax Assessed Valuations, Rates and Extensions (Continued)

Last Ten Levy Years

April 30, 2007

Tax Levy Year	2002		2003		2004		2005		2006	
Assessed Valuations	\$654,017,145		\$708,333,517		\$757,237,472		\$805,496,344		\$852,237,899	
Percentage Increase from Prior Year	7.2089%		8.3050%		6.9041%		6.3730%			
	Rate	Amount								
Tax Extensions										
General	\$ 0.6270	4,100,687	0.5930	4,200,418	0.5480	4,149,661	0.5410	4,357,735	0.5390	4,593,562
Fire Protection	-	-	-	-	-	-	-	-	-	-
Road and Bridge -										
Libertyville Township	0.0800	188,963	0.0760	198,973	0.0780	214,854	0.0810	236,543	0.0600	262,658
Fremont Township	0.0760	274,669	0.0720	279,814	0.0810	341,627	0.0840	377,717	0.0900	431,399
Vernon Hills Township	0.0890	50,203	0.0840	48,633	0.0870	52,322	0.0900	57,424	0.0950	64,115
Illinois Municipal Retirement	0.0340	222,366	0.0450	318,750	0.0730	552,783	0.0710	571,902	0.0710	605,089
Social Security	0.1080	706,338	0.0990	701,250	0.0980	742,093	0.1130	910,211	0.1120	954,506
Municipal Audit										
Debt Service	0.1580	1,033,347	0.1760	1,246,667	0.1820	1,378,172	0.1710	1,377,399	0.1620	1,380,625
Police Pension	0.0900	588,615	0.0930	658,750	0.1080	817,816	0.1070	861,881	0.1040	886,327
Firefighters' Pension	0.0450	294,308	0.0490	347,083	0.0500	378,619	0.0500	402,748	0.0490	417,597
Total Extension	7,459,496		8,000,338		8,627,947		9,153,561		9,595,878	
Libertyville Township	1.1420		1.1310		1.1370		1.1340		1.1230	
Fremont Township	1.1380		1.1270		1.1400		1.1370		1.1270	
Vernon Hills Township	1.1510		1.1390		1.1460		1.1430		1.1320	
Uncollectible Provision	<u>1%</u>									

Village of Mundelein, Illinois

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

April 30, 2007

Fiscal Year Ended	Governmental	Business-Type	Total Primary Government	Percentage of Personal Income*	Per Capita*	Population	Per Capita Personal Income	Personal Income
	Activities General Obligation Bonds	Activities IEPA Note Payable						
1997	\$ 5,855,000	\$ 1,254,358	\$ 7,109,358	1.77	\$ 300	23,722	\$ 16,950	\$ 402,087,900
1998	5,360,000	5,300,000	10,660,000	2.25 %	381	28,012	16,950	474,803,400
1999	16,840,000	5,201,195	22,041,195	3.77	787	28,012	20,887	585,086,644
2000	16,265,000	4,999,281	21,264,281	3.63	759	28,012	20,887	585,086,644
2001	15,670,000	4,791,490	20,461,490	2.98	661	30,935	22,230	687,685,050
2002	15,050,000	4,577,650	19,627,650	3.12	634	30,935	20,342	629,279,770
2003	14,380,000	4,357,586	18,737,586	2.88	606	30,935	21,010	649,944,350
2004	13,690,000	4,131,115	17,821,115	2.19	576	30,935	26,280	812,971,800
2005	12,955,000	3,898,052	16,853,052	2.07	545	30,935	26,280	812,971,800
2006	17,200,000	3,658,206	20,858,206	2.12	556	30,935	26,280	812,971,800
2007	16,470,000	3,411,377	19,881,377	2.45	643	30,935	26,280	812,971,800

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 127 for personal income and population data.

Village of Mundelein, Illinois

Ratios of General Bonded Debt Outstanding

Last Four Fiscal Years

April 30, 2007

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita	Equalized Assessed Value
2004	\$ 13,690,000	\$ 683,824	\$ 13,006,176	1.93 %	\$ 420	\$ 708,333,517
2005	12,955,000	565,828	12,389,172	1.71	400	757,237,472
2006	17,200,000	622,723	16,577,277	2.14	536	805,496,344
2007	16,470,000	769,900	15,700,100	1.93	508	852,237,899

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 115 for property value data.

Village of Mundelein, Illinois

Direct and Overlapping Governmental Bonded Debt

April 30, 2007

Governmental Unit	Equalized Assessed Value	Net Bonded Debt	Percentage of Debt Applicable to the Village of Mundelein	Village of Mundelein Share of Debt
Overlapping Debt:				
Lake County ⁽¹⁾	\$ 27,319,237,715	\$ -	3.118 %	\$ -
Lake County Forest Preserve District ⁽²⁾	27,319,237,715	184,870,367	3.118	5,764,258
Central Lake County Joint Action Water Agency	7,115,480,563	27,665,000	11.969	3,311,224
Mundelein Park District	953,805,947	4,235,000	89.028	3,770,336
Vernon Hills Park District ⁽¹⁾	1,165,750,485	-	0.001	-
Fremont Public Library District	1,145,232,264	8,025,000	51.254	4,113,134
Countryside Fire Protection District	1,145,232,264	4,970,000	0.011	547
Vernon Area Public Library District	1,662,710,423	-	-	-
School Districts:				
#70 ^{(1) (2)}	1,003,144,965	10,429,172	0.034	3,546
#73 ⁽²⁾	1,299,896,563	39,634,141	14.932	5,918,170
#75 ⁽²⁾	394,961,252	6,798,730	98.774	6,715,378
#76 ⁽²⁾	296,282,521	8,099,439	36.440	2,951,436
#79	763,695,117	31,690,000	20.887	6,619,090
High School District #120 ⁽²⁾	1,339,905,341	10,215,283	61.832	6,316,314
High School District #125 ⁽²⁾	3,530,769,317	35,828,613	0.609	218,196
High School District #128 ⁽³⁾	2,875,985,105	41,245,000	0.074	30,521
Community College #532 ^{(1) (2)}	25,966,286,120	9,983,829	3.280	327,470
		423,689,574		46,059,618
Direct Debt:				
Village of Mundelein	\$ 852,237,899	\$ 16,470,000	100.00 %	\$ 16,470,000
		\$ 440,159,574		\$ 62,529,618
Total Direct and Overlapping Debt				
Direct and overlapping bonded debt per capita				\$ 2,021
Population				30,935

(1) Excludes outstanding principal amounts of General Obligation Alternate Revenue Source Bonds.

(2) Includes outstanding original principal amounts of Capital Appreciation bonds.

(3) Excludes Certificates

Data Source

Lake County Clerk's Office

Village of Mundelein, Illinois

Schedule of Legal Debt Margin

April 30, 2007

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes 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.

Village of Mundelein, Illinois

Demographic and Economic Information

Last Ten Fiscal Years

April 30, 2007

Fiscal Year	Population	Personal Income* (thousands of dollars)	Per Capita Personal Income	Median Age	Unemployment Rate
1998	28,012	\$ 474,803	\$ 16,950	31.80	3.3 %
1999	28,012	585,087	20,887	31.80	3.4
2000	28,012	585,087	20,887	31.80	3.6
2001	30,935	687,685	22,230	31.70	4.8
2002	30,935	629,280	20,342	31.70	5.9
2003	30,935	649,944	21,010	31.70	6.5
2004	30,935	812,972	26,280	31.70	5.9
2005	30,935	812,972	26,280	31.70	6.3
2006	30,935	812,972	26,280	31.70	5.0
2007	30,935	812,972	26,280	31.70	4.2

Data Source

Village Records

2000 U.S. Census

Village of Mundelein, Illinois

Principal Employers
Last Two Fiscal Years
April 30, 2007

Employer	Type of Business	2006			2007		
		Rank	Employees	Percentage of Total City Population	Rank	Employees	Percentage of Total City Population
Medline Industries	Hospital Supplies	1	1,200	3.88 %	1	3,000	9.70 %
Amcort Flexibles Healthcare, Inc.	Flexible Polyethylene Packaging	3	300	0.97	2	300	0.97
Mundelein Elementary School #75	Public Elementary Schools	4	267	0.86	3	267	0.86
University of St. Mary of the Lake	Seminary / School for the Priesthood	5	235	0.76	4	227	0.73
Accurate Transmissions, Inc.	Rebuilt Transmissions	2	305	0.99	5	221	0.71
Mundelein High School #120	Public High School	6	195	0.63	6	195	0.63
Village of Mundelein	Village Government	9	178	0.58	7	182	0.59
Dominicks	Supermarket	8	180	0.58	8	180	0.58
US Music Corporation	Musical Instruments and Sound Equipment	7	180	0.58	9	140	0.45
Carter Hoffmann Co.	Food Service Equipment	10	110	0.36	10	130	0.42
Total			<u>3,150</u>			<u>4,842</u>	
Population			30,935			30,935	

Data Sources

2007 Harris Illinois Industrial Directory

2007 Illinois Manufacturers and Services Directories

Village of Mundelein, Illinois

Full-Time Equivalent Employees

Last Ten Budget Years

April 30, 2007

Full-time Equivalent as of April 30th

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Administration	9	10	12	12	11	11	13	13	13	12
Community Development	7	7	7	7	8	8	12	12	13	13
Engineering	5	5	5	5	5	5	5	5	6	6
Finance	7	7	7	7	7	7	7	7	9	10
Public Safety										
Police										
Officers	35	40	45	45	45	45	45	45	48	54
Civilians	11	11	14	15	17	17	17	17	17	18
Fire										
Firefighters/Paramedics and Officers	15	24	24	24	24	24	24	22	23	23
Civilians	2	2	2	2	2	2	2	2	2	2
Contractual	0	0	0	0	0	0	0	2	2	4
Public Works										
Administration	5	6	6	6	6	6	6	6	6	6
Facility	3	3	4	4	4	4	3	4	4	4
Vehicle	3	3	4	4	4	4	4	4	4	4
Street	11	11	11	11	11	11	12	11	11	12
Water	11	12	12	12	12	12	12	12	12	12
Wastewater	10	10	13	13	13	13	13	13	13	13
Total	134	151	166	167	169	169	175	175	183	193

Data Source

Village Records

Village of Mundelein, Illinois

Operating Indicators
Last Three Calendar Years
April 30, 2007

Function/Program	2004	2005	2006
General Government			
Administration			
Registered Voters ⁽¹⁾	14,128	14,252	15,725
Votes Cast in Last Election	3,961	4,746	8,319
Public Safety			
Police			
CALEA Accreditation	Yes	Yes	Yes
Arrests	2,246	1,686	1,969
Ordinance Citations	6,026	5,301	4,204
Traffic Citations	12,248	10,778	12,144
Part I Incidents ⁽²⁾	489	522	615
Part II Incidents ⁽²⁾	2,728	2,210	3,348
Service Incidents	14,249	14,986	14,954
Fire			
Emergency Responses	1,550	1,690	3,135
Fire Responses	1,379	1,359	1,335
Patients Transported	1,360	1,455	1,515
Public Works			
Streets			
Street Resurfaced (Sq. Yds.)	N/A*	33,598	60,581
Sidewalk Replaced (Sq. Ft.)	4,507	12,087	10,687
Work Orders Processed	6,222	4,518	6,396
Water			
Average Daily Demand (MGD)	2,600.000	2.821	2.670
Highest Daily Demand (MGD)	3.950	5.304	4.550
Date of Highest Daily Demand	08/01/04	06/23/05	07/16/06
Lake Water Allocation	3.000	3.071	3.133
Average Residential Usage	16.5	17.2	14.6
Watermain Breaks	24	43	16
Meters Converted to RF	979	890	1,330
Wastewater			
Total Volume (MG)	1,297.63	1,202.32	1,438.87
Biological Oxygen Demand (lbs)	1,234,424	1,333,838	1,226,882
Suspended Solids (lbs)	1,553,460	1,533,778	1,443,308
Average Daily Flow	3.550	3.290	3.940
Average Dry Weather Flow (MGD)	2.76	2.55	3.08
Highest Daily Flow	11.95	12.10	14.80
Date of Highest Daily Flow	05/22/04	01/12/05	03/12/06
Work Orders Processed	4,963	5,649	4,768

(MGD) Million gallons per day.

(1) Municipal elections occur every two years.

(2) Categorized based upon I-UCR Crime Index where Part I includes: murder, criminal sexual assault, robbery, aggravated assault/battery, burglary, theft, motor vehicle theft, and arson. Part II includes all other activities.

* Information not available due to implementation of GASB 34 in this year

Data Source

Various Village Departments

Village of Mundelein, Illinois

Capital Asset Statistics

Last Three Fiscal Years

April 30, 2007

Function/Program	2005	2006	2007
General Government			
Metra Stations	1	1	1
Metra Parking Spots	295	522	522
Public Safety			
Police			
Stations	1	1	1
Patrol Districts	4	4	4
Patrol Units	16	16	16
Fire			
Stations	2	2	2
ISO Rating	3	3	3
Fire Apparatus	5	5	5
Rescue Apparatus	4	4	4
Public Works			
Streets			
Streets (miles)	92.9	92.9	92.9
Streetlights	1400	1400	1400
Traffic Signals*	5	5	5
Curbs (Miles)	132.1	132.2	132.2
Sidewalks (Miles)	109.9	110.2	110.2
Water			
Water Mains (miles)	100.2	100.2	100.2
Fire Hydrants	1500	1500	1405
Buster Pump Stations	1	1	1
Ground Storage	3	3	4
Elevated Storage***	4	4	3
Storage Capacity**	5.75	5.75	5.5
Wastewater			
Sanitary Sewers (miles)	166.2	166.2	166.2
Storm Sewers (miles)	87.1	87.1	87.1
Treatment Capacity**	4.95	4.95	4.95

* Village Owned

** Millions of Gallons

*** Winchester Tower being replaced and out of service during 2007

Data Source

Various Village Departments

Village of Mundelein, Illinois

Miscellaneous Statistics
 Waterworks and Sewerage Fund
 April 30, 2007

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of Users									
Water Users	9,067	9,306	9,415	9,495	9,545	9,572	9,629	9,765	9,777
Water and Sewer Users	9,072	9,311	9,422	9,502	9,553	9,580	9,637	9,774	9,786
Increase in Users	94	239	111	80	51	27	57	137	12
Users by Class									
Residential	7,128	7,298	7,344	7,451	7,473	7,477	7,562	7,670	7,687
Senior Citizen	892	895	915	897	922	923	916	915	901
Commercial	740	804	836	846	849	867	893	921	920
Apartment Buildings	146	147	145	143	143	144	142	143	142
Industrial	72	72	72	71	71	72	72	70	71
Other	94	95	110	94	95	97	52	55	65
Total Users by Class	9,072	9,311	9,422	9,502	9,553	9,580	9,637	9,774	9,786
Billing Units by Class ⁽¹⁾									
Residential ⁽²⁾	804,245	839,376	822,394	816,334	857,069	809,960	802,138	854,644	781,173
Business ⁽³⁾	363,000	378,172	408,450	368,035	371,498	344,843	344,334	360,990	343,973
Industrial	50,400	45,413	37,158	39,702	46,362	40,839	38,323	39,389	36,490
Other	17,448	18,480	33,473	38,745	20,729	20,555	18,207	27,817	21,308
Total Billing Units	1,235,093	1,281,441	1,301,475	1,262,816	1,295,658	1,216,197	1,203,002	1,282,840	1,182,944
Rate History Per Billing Unit ⁽⁴⁾									
Ordinance Number	98-4-12	99-6-35	00-4-17	01-06-29	02-05-22	03-04-12	04-04-17	05-04-25	06/05/1943
Effective Date	06/01/98	07/01/99	07/01/00	07/01/01	07/01/02	06/01/03	06/01/04	06/01/2005	06/01/2006
Water	1.224	1.212	1.215	1.241	1.200	1.288	1.442	1.376	1.472
Watermain	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0	0
Sewer	1.356	1.368	1.232	1.448	1.423	1.491	1.600	1.629	1.73
CLCJAWA	1.260	1.260	1.473	1.232	1.565	1.595	1.519	1.754	1.685
Combined Rate	3.84	3.84	3.92	3.92	4.19	4.37	4.56	4.759	4.95
Pumped vs. Billed									
Total Gallons of Water									
Pumped	936,702,000	1,014,233,000	996,665,000	1,007,150,000	1,014,587,000	956,103,000	954,241,000	1,051,235,000	972,699,000
Total Gallons of Water Billed	926,319,750	961,080,750	976,106,250	947,112,000	971,743,500	912,147,750	902,597,250	965,131,500	887,208,000
Gallons Pumped but not Billed	10,382,250	53,152,250	20,558,750	60,038,000	42,843,500	43,955,250	51,643,750	86,103,500	85,491,000
Percentage of Unbilled	1.1%	5.2%	2.1%	6.0%	4.2%	4.6%	5.4%	8.2%	8.8%

(1) Billing unit equals 100 cubic feet, or 750 gallons

(2) Residential includes residential and senior citizen classes

(3) Business includes commercial and apartment building classes

(4) Annualized inside the Village rates only

Data Source

Village Records

Village of Mundelein, Illinois

Number of Residential Units and Equalized Assessed Value - By Subdivision
April 30, 2007

Subdivision	Number of Residential Units	2006 Equalized Assessed Value	
		Total	Average
Woodlands	64	\$ 8,681,232	\$ 135,644
Town & Country	470	58,767,468	125,037
Ambria	242	30,493,813	126,007
Cambridge Country Side	158	18,703,239	118,375 *
Concord	81	10,071,362	122,821 *
Cambridge North	358	35,773,404	99,926 *
Tullamore	181	17,673,283	97,642 *
Pasquinelli - Cardinal Terrace	147	14,156,100	96,300 *
Loch Lomond	568	48,268,180	84,979 *
Cambridge Country	1,111	93,592,923	84,242 *
Cambridge West	535	43,918,433	82,091 *
Lakewood Village	386	26,840,155	69,534 **
Mundelein Heights	146	9,934,071	68,042 ***
Mundelein Home Crest	285	19,063,768	66,890 *
Mundelein Station	247	16,810,163	68,057 *
FairHaven	148	10,069,395	68,036 *
Mundelein Gardens	166	10,284,220	61,953 *
Western Slope	350	21,542,317	61,549 *
Superior Homes	137	8,144,409	59,448 *
Cardinal Terrace	133	8,103,694	60,930 *
LakeWood Heights	410	24,948,867	60,851 *
Other Miscellaneous	1,967	122,096,595	62,072 *
Woodhaven	206	11,952,040	58,020 *
North Shore Park	196	11,110,065	56,684 *
Diamond Lake	219	11,554,856	52,762
Mundelein Manor	206	11,508,778	55,868
	9,117	\$ 704,062,830	\$ 80,917
Senior Citizens	1,021	\$ 77,439,785	\$ 75,847

* Relevant Range

** Average

*** Median

Note: Includes R1, R2 and R3 County Residential Zoning Classifications.

Data Source

Lake County Aggregate Property Tax Information Database

Village of Mundelein, Illinois

Number of Taxpayers, Equalized Assessed Value and
Property Taxes Billed - By Zoning Classification
April 30, 2007

Zoning Classifica- tion	Number of Taxpayers	2006 Equalized Assessed Value		Property Taxes Billed		Village of Mundelein	
		Total	Average	Total	Average	Total	Average
		C5	57	\$ 17,797,848	312,243	\$ 1,353,510	\$ 23,746
C6	420	85,820,263	204,334	6,672,217	15,886	847,372	2,018
C7	18	12,496,564	694,254	969,227	53,846	123,092	6,838
F	20	527,193	26,360	43,120	2,156	5,476	274
FF	11	149,312	13,574	12,243	1,113	1,555	141
I	194	65,341,583	336,812	4,874,190	25,125	619,022	3,191
MH	1	108,709	108,709	8,067	8,067	1,024	1,024
O	11	159,333	360	28,548	2,595	3,626	330
OP	0	-	-	-	-	-	-
R1	8,850	685,097,474	77,412	49,088,755	5,547	6,234,272	704
R2	22	1,534,971	69,771	115,451	5,248	14,662	666
R3	216	12,897,035	59,708	922,019	4,269	117,096	542
SC	16	2,753,757	172,110	211,455	13,216	26,855	1,678
SI	3	58,524	19,508	4,300	1,433	546	182
SR	156	15,192,038	97,385	1,106,331	7,092	140,504	901
	<u>9,995</u>	<u>\$ 899,934,604</u>		<u>\$ 65,409,433</u>		<u>\$ 8,306,908</u>	
Senior	1,021	\$ 77,439,785	75,847	\$ 4,747,692	\$ 4,650	\$ 602,957	591

County Zoning Classifications

Classification	Description	Exemptions	Amount	Category
C5	Commercial Residence - Apartments			
C6	Commercial Business		\$ (34,743,353)	Homestead
C7	Commercial Office		(11,858,548)	Senior/ Freeze
F	Farm Homesite - land not being farmed		-	Veteran
FF	Farm Land Being Farmed		(1,992,990)	Improvement
I	Industrial		898,186	Railroad
MH	Model Home		<u>\$ 852,237,899</u>	
O	Other - cannot be classified			
OP	Open Space			
R1	Single Family Residential			
R2	2 and 3 Unit Residential			
R3	Multi-Family Residential			
SC	Subdivided Commercial - not assessed at full value until actually developed and sold			
SI	Subdivided Industrial - not assessed at full value until actually developed and sold			
SR	Subdivided Residential - not assessed at full value until actually developed and sold			

Note: No veteran exemptions.

Data Source:

Lake County Aggregate Property Tax Information Database

Village of Mundelein, Illinois

Equalized Assessed Value Per Township
By General Zoning Classification
April 30, 2007

General Zoning Classification	All Townships		Fremont Township		Libertyville Township		Vernon Township	
	Equalized Assessed Value	Percent of Total						
Residential	\$ 666,446,905	78.2 %	\$ 443,577,721	92.4 %	\$ 196,723,893	64.5 %	\$ 26,145,291	38.9 %
Commercial	119,492,701	14.0	36,735,320	7.6	53,509,641	17.6	29,247,740	43.6
Industrial	66,298,293	7.8	-	0.0	54,553,217	17.9	11,745,076	17.5
	<u>\$ 852,237,899</u>	<u>100.0 %</u>	<u>\$ 480,313,041</u>	<u>100.0 %</u>	<u>\$ 304,786,751</u>	<u>100.0 %</u>	<u>\$ 67,138,107</u>	<u>100.0 %</u>
Percent of Total		<u>100.0 %</u>		<u>56.4 %</u>		<u>35.8 %</u>		<u>7.9 %</u>

Note: Prior to 2001, the Total EAV of All Townships did not include exemptions.

Data Source

Lake County Aggregate Property Tax Information Database

Village of Mundelein, Illinois

Property Value and Construction
Last Ten Calendar Years

Calendar Year	Multi-Family Construction		Residential Construction		Total Value of all Building Permits	Estimated Actual Property Value
	Number Of Units	Value (1)	Number of Units	Value (1)		
1997	-	\$ -	159	\$ 11,600,922	\$ 24,636,416	\$ 1,716,116,998
1998	-	-	18	2,519,858	4,646,166	1,776,676,675
1999	-	-	120	13,723,108	36,726,183	1,820,848,580
2000	56	4,367,164	62	8,695,154	43,661,946	1,909,050,546
2001	42	3,405,848	12	2,416,900	29,345,235	2,033,263,153
2002	15	1,218,411	11	1,149,001	15,763,235	2,179,839,144
2003	2	160,000	13	1,764,050	46,900,653	2,360,875,612
2004	6	480,000	42	7,634,300	33,718,676	2,524,124,906
2005	12	1,680,000	72	14,773,873	22,233,913	2,684,987,813
2006	84	19,003,000	19	3,166,732	63,571,993	2,840,792,996

(1) Exclusive of Land Values.

Data Source

Village Records

Village of Mundelein, Illinois

Mundelein Tax Increment Finance Area #2

TIF Incremental Increase

Last Four Levy Years

April 30, 2007

Levy Year	EAV TIF Base	Annual EAV Incremental Increase	Total EAV TIF	Extension
2004	\$ 8313815	\$ -	\$ 8,313,815	\$ -
2004	-	117,306	8,431,121	10,309
2005	-	2,237,311	10,668,432	182,621
2006	-	1,792,419	10,106,234	147,060

Data Source

Lake County Clerk's Office