

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
December 31, 2009

A Sikich LLP

Certified Public Accountants & Advisors

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 PROSPECT HEIGHTS, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

Board of Park Commissioners
Prospect Heights Park District
Prospect Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Prospect Heights Park District (the District), as of and for the year ended December 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Prospect Heights Park District, as of December 31, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 District's basic financial statements. The combining and individual fund financial statements and schedules 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. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

A handwritten signature in black ink that reads "Seuch LLP". The signature is written in a cursive, slightly stylized font.

Aurora, Illinois
March 4, 2010

GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS

Prospect Heights Park District Prospect Heights, Illinois

Management's Discussion and Analysis December 31, 2009

The Prospect Heights Park District (the "District") discussion and analysis is designed to: (1) summarize the financial highlights of the District, (2) provide an overview of the District's financial position, (3) evaluate the District's recent activities resulting in net asset changes, (4) identify any material deviations from the financial plan (the approved budget), (5) review material changes in capital assets and long-term debt and (6) recognize current facts or conditions that will impact the District.

We encourage readers to consider the information presented here in conjunction with the District's Financial Statements (beginning on page 3)

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the December 31, 2009 by \$5,448,704 (net assets). Total net assets of the District increased by \$376,480. The net assets from the prior period were adjusted by a decrease of \$2,931,844.
- The District's combined Governmental Funds ending fund balance increased \$295,718 as of December 31, 2009. The balance at year end is \$1,201,847. The prior period fund balance was adjusted by an increase of \$22,470.
- At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$595,835 (or 130%) of the General Funds expenditures.
- Governmental debt outstanding is \$10,719,744, a decrease of \$386,214 (about 3.5 percent) during the current fiscal year.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.

Government-wide Financial Statements

The District's annual report includes two government-wide financial statements. These statements are designed to provide readers with a broad overview of the Prospect Heights Park District's finances. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities. The government-wide statements are highly condensed and present information about the District's finances and operations as a whole, with a longer-term view.

The first of these government-wide statements is the **Statement of Net Assets**. This is the District-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the **Statement of Activities** which reports how the District's net assets changed during the current fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. (e.g., uncollected taxes)

The activities presented in the District's government-wide financial statements are governmental activities. Governmental activities are principally supported by taxes and intergovernmental revenues. Governmental activities include general government and recreation. The District does not report any business type activities.

The government-wide financial statements are presented on pages 3-4 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District categorizes all of its funds as governmental.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. For both the **Balance Sheet Governmental Funds** and the **Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds** a reconciliation is provided to facilitate a comparison between the governmental fund statements and the government-wide statements.

The analysis of the District's funds begins on page 5. These statements reinforce information in the government-wide financial statements or provide additional information. The major funds are presented individually, while the remaining funds are combined into a column titled "Nonmajor Governmental Funds". Individual fund data for each of the non-major governmental funds is provided in the form of combining statements on pages 47 through 50.

The Major Funds:

General, Recreation, Debt Service and Capital Projects.

The Non- Major Funds:

Audit, Paving and Lighting, Liability Insurance, Social Security, IMRF, Police, Museum, Special Recreation, Memorial and Community Events.

Budgetary comparison statements are included in the required supplementary information for the general fund and each major special revenue funds. Budgetary comparison schedules for the other special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the District's adopted annual appropriated budget.

The basic governmental fund financial statements are presented on pages 5 to 8 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 9 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees. Other supplementary information includes detail by fund for receivables, payables, transfers and payments within the reporting entity. Required supplementary information can be found starting on page 29 of this report.

Government-wide Financial Analysis

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as whole.

The District's combined net assets exceeded liabilities by \$5,448,704 as of December 31, 2009.

Below are two tables; condensed Schedule of Net Assets and Statements of Changes in Net Assets.

The following table reflects the condensed Statement of Net Assets:

Table 1
Statement of Net Assets
December 31, 2009 and December 31, 2008

	Governmental		Activites	
	2009		2008	
Assets				
Current and other Assets	\$	4,037,621	\$	3,856,994
Capital Assets		15,015,182		15,272,053
Total Assets		<u>19,052,803</u>		<u>19,129,047</u>
Liabilities				
Current Liabilities		3,895,425		1,140,370
Noncurrent Liabilities		9,708,674		9,984,609
Total Liabilities		<u>13,604,099</u>		<u>11,124,979</u>
Net Assets				
Invested in Capital Assets, Net of Debt		4,295,438		4,353,009
Restricted		675,105		-
Unrestricted		478,161		3,651,059
Total Net Assets	\$	<u>5,448,704</u>	\$	<u>8,004,068</u>

By far the largest portion of the Prospect Heights Park District's net assets (79%) reflects its investment in capital assets (e.g. land, buildings, land improvements and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to users of the district; consequently these assets are not available for future spending. Although the District's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (12% or \$675,105) reflect resources that are subject to external legal or contractual restrictions on how they may be used. The remaining (9% or \$478,161) reflects resources that are unrestricted and may be used to meet the district's ongoing obligations to its residents and creditors.

For more detailed information, see Statement of Net Assets on page 3.

A summary of the Changes in Net Assets is shown in Table 2 with a comparison to the prior year's activity.

Table 2
Changes in Net Assets
December 31, 2009 and December 31, 2008

	Governmental Activities	
	2009	2008
Revenues		
Program Revenues:		
Charges for services	\$ 2,040,325	\$ 2,115,100
Operating grants	-	-
Contributions	90,050	-
General Revenues		
Taxes	2,421,983	2,749,176
Investment Income	9,818	12,430
Donations and Miscellaneous	49,398	-
Total Revenues	4,611,574	4,876,706
Expenses		
Program Expenses:		
General Government	595,945	-
Recreation	3,171,928	3,825,645
Interest	467,221	400,355
Total Expenses	4,235,094	4,226,000
Changes in Net Assets	376,480	650,706
Net Assets, January 1	8,004,068	7,353,362
Prior period adjustment	(2,931,844)	-
Net Assets, December 31	\$ 5,448,704	\$ 8,004,068

Governmental Activities

The Prospect Heights Park District's net assets increased by \$376,480, the primary reasons were a \$57,772 decrease in operating expenses compared to the previous year and a capital contribution of \$90,050 to the Old Orchard County Club. The decreased investment income reflects a decrease in interest rates during the fiscal year and a decrease in capital projects fund resources invested.

The cost of all governmental activities this year was \$4,235,094. General government expenses, which primarily reflect the support services needed to provide the recreational program and services, accounted for 14% of the total expense. Recreation expenses captured 74% of the total expense.

The table below, presents the cost of each of the District's largest functions, as well as the program's net costs (total cost less revenues generated by the activities), with comparative data from December 31, 2008. The net cost highlights the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows the citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Governmental Activities
December 31, 2009 and December 31, 2008

	Total Cost of Services		Net Cost of Services	
	2009	2008	2009	2008
General Government	\$ 595,945	-	595,945	-
Recreation	3,171,928	3,825,645	1,041,553	1,710,545
Interest	467,221	400,355	467,221	400,355
Total Expense	\$ 4,235,094	4,226,000	2,104,719	2,110,900

Financial Analysis of the District's Funds

As noted earlier, the Prospect Heights Park District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The governmental funds provide information on short-term inflows, outflows, and balances of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. In particular, unreserved fund balances may serve as a useful measure of the government's net resources available for pending at the end of the fiscal year. The General, Recreation, Capital Projects and Debt Service funds are the primary operating funds of the District

As of the end of the current fiscal year, the governmental funds reported a combined ending fund balance of \$1,201,847, an increase of \$295,718 in comparison with the prior year. Roughly 37% of this amount, \$442,704, constitutes *unreserved fund balance*, which is available for spending at the discretion of the district. The remainder of the fund balance is reserved to indicate that it is not available for new spending. Rather it has been committed to pay specific items such as debt service and capital projects.

Revenues

Total revenue for the governmental funds increased \$87,898 to \$4,521,524 for the year ending December 31, 2009. The increase is due to property tax revenue of \$130,065 and a decrease in charges for services of \$42,167.

Property tax revenue represented the largest portion of the revenue base, generating 54% of the total. Property taxes fund governmental activities, including but not limited to IMRF, Social Security, Audit, and Special Recreation.

Charges for services represented 45% of the revenue base. The District does not receive 100% of its funding through property taxes to cover the costs associated with program offerings. Thus it must charge a user fee for programs and services provided to the public. Pricing of programs is evaluated each year before the preparation of the following fiscal year budget.

Expenditures

The total cost of providing programs and services for the governmental funds of the District was \$4,726,876 compared to \$4,751,156 in 2008. Of the 2009 total, expenditures associated with the General Fund captured 9.6% of the total and expenditures associated with the Recreation Fund captured 48% of the total.

General Fund Budgetary Highlights

During the 2009 Budget year, the District did not revise the annual operating budget of the general fund. The fund is reported as a major fund, and accounts for the routine park operations of the District. The overall performance of the fund was greater than budgeted. At the end of the current fiscal year, the fund balance was \$598,953. In addition, there was an advance made to the Recreation Fund of \$140,946 and to the Debt Service Fund of \$425. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 130% of total general fund expenditures.

Recreation Fund Budgetary Highlights

During the 2009 Budget year, the District did not revise the annual operating budget of the Recreation Fund. The fund is reported as a major fund, and accounts for the recreation activities of the District, including the Old Orchard Golf Course. The excess of revenues over expenditures was \$208,300 with \$52,962 transferred to Golf Capital. In conjunction with a prior period adjustment of \$3,607 the deficit in the fund has decreased to \$116,432. The net change in fund balance was approximately two times larger than budgeted.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2009 was \$15,015,182. This investment in capital assets includes land, buildings, improvements to land and machinery and equipment. There were no major capital projects during 2009.

Table 4
Capital Assets (net of depreciation)
December 31, 2009 and December 31, 2008

	Governmental Activities	
	2009	2008
Land	\$ 8,734,667	\$ 8,734,667
Land Improvements	2,089,495	2,246,323
Building	2,867,201	2,878,332
Equipment	630,462	603,982
Vehicles	60,015	73,458
Furniture and Fixtures	10,657	11,455
Bike Path	622,685	723,836
Net Capital Assets	\$ 15,015,182	\$ 15,272,053

The District showed a decrease in governmental net capital assets primarily due to depreciation and disposal of older equipment. Additional information on the Prospect Heights Park District's capital assets can be found in note 4 on page 16.

Debt Administration

As of December 31, 2009, the Park District has general obligation bond issues outstanding of \$10,719,744. The debt service on the general obligation bonds is paid with property taxes. Currently the district is unrated. Additional information on the District's long term debt can be found in note 5 beginning on page 17.

The District computation of legal debt margin is subject to a statutory debt limitation of 2.875% of equalized assessed valuation. The current debt limitation for the Prospect Heights Park District is \$12,951,372. See page 63 for additional information.

Factors bearing on the District's Future

Many trends and economic factors can affect the future operations of the District. At the time these financial statements were prepared and audited, the District is aware of existing circumstances that could adversely affect its financial health in the future.

- The continuing negative effect of the tax cap on the District's property tax revenue
- Erratic collection of property tax dollars from the county
- The current economic condition of the state
- Concerns regarding the Banking Industry
- Low interest earnings rates
- Increase competition from private industry for participation and users

The primary goal for 2010 is to review the operations of the District and determine what action should be taken to ensure the stability of the Park District into the future. The District is committed to providing all its services and operations in a responsive, efficient and cost-effective manner while retaining the high level of services it provides. The key to continued future financial health for the District is sound planning. This includes conservative revenue projections for future years and vigilant cost controls at all levels.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances, comply with finance related laws and regulations and demonstrate the District's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact Annette Curtis, Business Manager, Prospect Heights Park District, 110 W. Camp McDonald Road, Prospect Heights, Illinois, 60070.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2009

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,159,597
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	2,792,756
Accounts receivable	805
Inventory	61,470
Prepaid expenses	22,993
Capital assets not being depreciated	8,734,667
Capital assets being depreciated (net of accumulated depreciation)	<u>6,280,515</u>
Total assets	<u>19,052,803</u>
LIABILITIES	
Accounts payable	50,638
Accrued interest payable	30,589
Unearned revenue	2,742,603
Deposits payable	42,533
Noncurrent liabilities	
Due within one year	1,029,062
Due in more than one year	<u>9,708,674</u>
Total liabilities	<u>13,604,099</u>
NET ASSETS	
Invested in capital assets, net of related debt	4,295,438
Restricted for	
Capital projects	385,400
Specific purposes	272,107
Debt service	17,598
Unrestricted	<u>478,161</u>
TOTAL NET ASSETS	<u><u>\$ 5,448,704</u></u>

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 595,945	\$ -	\$ -	\$ -	\$ (595,945)
Recreation	3,171,928	2,040,325	-	90,050	(1,041,553)
Interest and fiscal charges	467,221	-	-	-	(467,221)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,235,094	\$ 2,040,325	\$ -	\$ 90,050	(2,104,719)

General Revenues

Taxes	
Property and replacement	2,421,983
Investment income	9,818
Donations	7,026
Miscellaneous	42,372

Total 2,481,199

CHANGE IN NET ASSETS 376,480

NET ASSETS, JANUARY 1 8,004,068

Prior period adjustment (2,931,844)

NET ASSETS, JANUARY 1,
RESTATED 5,072,224

NET ASSETS, DECEMBER 31 \$ 5,448,704

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2009

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 444,000	\$ -	\$ 4,598	\$ 395,612	\$ 315,387	\$ 1,159,597
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	1,046,979	660,798	524,030	-	560,949	2,792,756
Accounts receivable	-	685	-	-	120	805
Inventory	-	61,470	-	-	-	61,470
Prepaid items	3,118	19,336	425	-	114	22,993
Due from other funds	141,491	-	-	-	-	141,491
TOTAL ASSETS	\$ 1,635,588	\$ 742,289	\$ 529,053	\$ 395,612	\$ 876,570	\$ 4,179,112
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 11,635	\$ 16,069	\$ -	\$ 10,212	\$ 12,722	\$ 50,638
Deferred revenue	1,025,000	659,173	511,030	-	547,400	2,742,603
Deposits payable	-	42,533	-	-	-	42,533
Due to other funds	-	140,946	425	-	120	141,491
Total liabilities	1,036,635	858,721	511,455	10,212	560,242	2,977,265
FUND BALANCES						
Reserved for prepaid items	3,118	19,336	425	-	114	22,993
Reserved for inventory	-	61,470	-	-	-	61,470
Reserved for capital projects	-	-	-	385,400	-	385,400
Reserved for specific purpose	-	-	-	-	272,107	272,107
Reserved for debt service	-	-	17,173	-	-	17,173
Unreserved (deficit)						
General Fund	595,835	-	-	-	-	595,835
Special Revenue Fund	-	(197,238)	-	-	44,107	(153,131)
Total fund balances	598,953	(116,432)	17,598	385,400	316,328	1,201,847
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,635,588	\$ 742,289	\$ 529,053	\$ 395,612	\$ 876,570	\$ 4,179,112

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

December 31, 2009

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 1,201,847
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	15,015,182
Accrued interest on long-term liabilities is shown as a liability on the statement of net assets	(30,589)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds	
General obligation bonds	(10,770,311)
Discount on general obligation bonds	50,567
Compensated absences	<u>(17,992)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 5,448,704</u>

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	General	Recreation	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 904,801	\$ 438,654	\$ 528,118	\$ -	\$ 550,410	\$ 2,421,983
Charges for services	-	2,030,146	-	-	10,179	2,040,325
Investment income	9,009	-	-	809	-	9,818
Donations	2,000	2	-	-	5,024	7,026
Miscellaneous	7,795	27,732	-	-	6,845	42,372
Total revenues	923,605	2,496,534	528,118	809	572,458	4,521,524
EXPENDITURES						
Current						
General government	453,541	-	13,483	-	119,301	586,325
Recreation	-	2,288,234	-	-	406,665	2,694,899
Capital outlay	-	-	-	121,736	-	121,736
Debt service						
Principal retirement	-	-	934,435	-	-	934,435
Interest and fiscal charges	1,541	-	387,940	-	-	389,481
Total expenditures	455,082	2,288,234	1,335,858	121,736	525,966	4,726,876
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	468,523	208,300	(807,740)	(120,927)	46,492	(205,352)
OTHER FINANCING SOURCES (USES)						
Bonds issued, at par	-	-	501,070	-	-	501,070
Transfers in	-	-	811,855	149,096	3,599	964,550
Transfers (out)	(402,105)	(52,962)	(487,587)	(18,297)	(3,599)	(964,550)
Total other financing sources (uses)	(402,105)	(52,962)	825,338	130,799	-	501,070
NET CHANGE IN FUND BALANCES	66,418	155,338	17,598	9,872	46,492	295,718
FUND BALANCES (DEFICIT), JANUARY 1	523,727	(275,377)	-	370,604	264,705	883,659
Prior period adjustment	8,808	3,607	-	4,924	5,131	22,470
FUND BALANCES (DEFICIT), JANUARY 1, RESTATED	532,535	(271,770)	-	375,528	269,836	906,129
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 598,953	\$ (116,432)	\$ 17,598	\$ 385,400	\$ 316,328	\$ 1,201,847

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 295,718
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	113,652
Depreciation on capital assets is reported as an expense in the statement of activities	(460,573)
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(17,992)
Accrued interest	(30,589)
Certain costs associated with the issuances of bonds are deferred and amortized over the life of the bonds on the statement of activities	
Amortization of discount	(5,335)
Accretion of interest	(41,816)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	934,435
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase in principal outstanding in the statement of activities	(501,070)
Contributions of capital assets is reported as a revenue on the statement of activities	<u>90,050</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 376,480</u></u>

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The District is a body corporate and politic established under Illinois Compiled Statutes (ILCS). The District operates under a President-Commissioner form of government, providing recreation and other services to the residents of the City of Prospect Heights including recreation programs, park management, capital development and general administration. The District is considered to be a primary government as defined by GASB Statement No. 14, since it is legally separate and fiscally independent. The accompanying basic financial statements present the District only since the District does not have component units.

b. Fund Accounting

The District uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary. The District does not have any proprietary or fiduciary funds.

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

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Contributions of land by developers under land/cash ordinances are reported as contributions on the statement of activities.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

The Recreation Fund is used to account for revenue and expenditures related to recreation programs funded by a tax levy and user fees.

The Debt Service Fund is used to account for the accumulation of resources for and the payment of principal and interest on governmental activities long-term debt.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. With this measurement focus, all assets and all liabilities associated with the operation of these activities/funds are included on the statement of net assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Program revenues consist of user fees and other charges for services, operating grants and capital grants.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). The District recognizes property taxes when they become both “measurable” and “available” in the year intended to finance. Expenditures are recorded when the related liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

Those revenues susceptible to accrual are property taxes, interest revenue and charges for services.

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

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments, including investments in Illinois Funds, with a maturity of three months or less when purchased to be cash equivalents.

f. Investments

The District's investments are recorded at fair value, except for nonnegotiable certificates of deposits and investments with a maturity less than one year when purchased, which are reported at cost or amortized cost. Fair value is based on published market prices as of December 31, 2009.

g. Inventories

Inventories consist of amounts available for resale and are accounted for using the consumption method. Inventories are valued at cost on the first-in/first-out (FIFO) method.

h. Prepaid Expenses/Items

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid expenses/items. Such amounts are offset by fund balance reserved for prepaid items in the fund financial statements.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., bike trails, paths and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Assets	Years
Land improvements	20
Buildings and improvements	7-50
Equipment	5-20
Vehicles	8
Furniture and fixtures	20
Bike path	10

j. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, if any, 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 expenditures.

k. Compensated Absences

Vacation leave is recorded in governmental funds upon employee retirement or termination. Vested or accumulated vacation of leave of governmental activities is recorded as an expense and liability as the benefits accrue to employees. Only full-time employees may accrue vacation. If employment is terminated, employees will receive compensation for any unused vacation accrued; however, any amount unused will be terminated as of January 1st of the next calendar year.

l. Property Taxes

The District's property taxes are required to be levied by ordinance. A certified copy of the levy ordinance must be filed with the county clerk no later than the last Tuesday in December of each year. Taxes are due and collectible 55% in March and 45% in September of the following year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes which have been levied but are not due before the end of the fiscal year are recorded as receivable. The entire receivable is offset by deferred revenue as they are intended to finance the subsequent fiscal year.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Net Assets/Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the net assets are restricted as a result of enabling legislation adopted by the District. Invested in capital assets, net of related debt is the book value of capital assets less outstanding principal balances of debt that was issued to construct the capital assets.

n. Interfund Transactions

Reciprocal interfund service transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

o. Interfund Receivables/Payables

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

2. DEPOSITS AND INVESTMENTS

ILCS and the District's investment policy authorize the District to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, commercial paper rated within the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency and Illinois Funds.

It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

2. DEPOSITS AND INVESTMENTS (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the District's deposits may not be returned to it. The District's investment policy requires pledging of collateral for funds on deposit of all bank balances in excess of federal depository insurance with the collateral held by a third party in the District's name.

Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by not directly investing in securities maturing more than one year from the date of purchase, unless matched with a specific cash flow.

The District limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and Illinois Funds. The District does not have any investments at December 31, 2009.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the District will not be able to recover the value of its investments that are in possession of an outside party. The District's investment policy does not address custodial credit risk for investments.

The District's investment policy prohibits the use of derivative instruments unless authorized by the Board of Commissioners.

3. PROPERTY TAX CALENDAR

The following information gives significant dates on the property tax calendar of the District.

- The property tax lien date is January 1;
- The annual tax levy ordinance for 2009 was passed December 8, 2009;
- Property taxes are due to the County Collector in two installments, March 1 and September 1; and
- Property taxes for 2009 are normally received monthly beginning in March and generally ending by December 2010.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 8,734,667	\$ -	\$ -	\$ 8,734,667
Total capital assets not being depreciated	8,734,667	-	-	8,734,667
Capital assets being depreciated				
Land improvements	3,284,624	3,831	-	3,288,455
Buildings and improvements	4,357,864	90,050	-	4,447,914
Equipment	1,727,262	109,821	3,469	1,833,614
Vehicles	248,239	-	-	248,239
Furniture and fixtures	621,460	-	-	621,460
Bike path	1,123,904	-	-	1,123,904
Total capital assets being depreciated	11,363,353	203,702	3,469	11,563,586
Less accumulated depreciation for				
Land improvements	1,038,301	160,659	-	1,198,960
Buildings and improvements	1,479,532	101,181	-	1,580,713
Equipment	1,123,280	83,341	3,469	1,203,152
Vehicles	174,781	13,443	-	188,224
Furniture and fixtures	610,005	798	-	610,803
Bike path	400,068	101,151	-	501,219
Total accumulated depreciation	4,825,967	460,573	3,469	5,283,071
Total capital assets being depreciated, net	6,537,386	(256,871)	-	6,280,515
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 15,272,053	\$ (256,871)	\$ -	\$ 15,015,182

Certain capital assets categories, and their respective accumulated depreciation, were reclassified from their balances as reported on December 31, 2008 to properly categorize their balances.

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 119,674
Culture and recreation	340,899
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 460,573

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental activities for the year ended December 31, 2009:

	Fund Debt Retired By	Beginning Balances, Restated	Additions	Reductions	Ending Balances	Current Portion
GOVERNMENTAL ACTIVITIES						
General obligation bonds	Debt Service	\$ 11,161,860	\$ 542,886*	\$ 934,435	\$ 10,770,311	\$ 1,011,070
Discount on bonds	N/A	(55,902)	-	(5,335)	(50,567)	-
Compensated absences	General and Recreation	-	17,992	-	17,992	17,992
TOTAL GOVERNMENTAL ACTIVITIES		\$ 11,105,958	\$ 560,878	\$ 929,100	\$ 10,737,736	\$ 1,029,062

*\$41,816 of the increase in additions represents accretion on the General Obligation Capital Appreciation Bonds, Series 2003.

Long-term debt at December 31, 2009 is comprised of the following:

Bonds

	Total Outstanding	Current Portion
2003 General Obligation Capital Appreciation Bond A \$845,511 General Obligation Capital Appreciation Bond, Series 2003, dated December 2, 2003, due in amounts of \$135,000 to \$365,000 beginning December 1, 2011 through January 1, 2014. Interest is accreted to the bonds throughout the life of the bonds.	\$ 1,074,241	\$ -
2004A General Obligation Park Bonds (Alternate Revenue Source) A \$2,215,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2004A, dated November 1, 2004, due in annual installments of \$15,000 to \$400,000 on December 1 through December 1, 2010 with interest payable semi-annually on June 1 and December 1 at 2.20% to 3.20%.	400,000	400,000
2005B General Obligation Park Refunding Bonds (Alternate Revenue Source) A \$8,975,000 General Obligation Park Refunding Bonds (Alternate Revenue Source), Series 2005B, dated December 1, 2005, due in annual installments of \$35,000 to \$890,000 on December 1 through December 1, 2025 with interest payable semi-annually on June 1 and December 1 at 3.50% to 4.05%.	8,795,000	110,000
2009 General Obligation Limited Tax Park Bonds A \$501,070 General Obligation Limited Tax Park Bonds, Series 2009, dated November 24, 2009, due in one annual installment of \$501,070 on December 1, 2010 with interest payable at 1.95% to 3.20%.	501,070	501,070
TOTAL BONDS	\$ 10,770,311	\$ 1,011,070

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Bonds (Continued)

The \$845,511 in General Obligation Capital Appreciation Bonds, Series 2003, was issued to refund the Series 1996 General Obligation Capital Appreciation Bonds.

The \$2,215,000 in General Obligation Park Bonds (Alternate Revenue Source), Series 2004A, was issued to refund the Series 1998 General Obligation Park Bonds (Alternate Revenue Source).

The \$8,975,000 in General Obligation Park Refunding Bonds (Alternate Revenue Source), Series 2005B, was issued to refund the Series 1999 General Obligation Park Bonds (Alternate Revenue Source) and for capital improvements in the District.

The \$501,070 in General Obligation Limited Tax Park Bonds, Series 2009 was issued to pay prior obligations and for capital projects in the District.

Debt Service to Maturity

The annual requirements to amortize to maturity serial debt outstanding as of December 31, 2009 are as follows:

<u>Years Ending December 31,</u>	<u>General Obligation Refunding Bonds Series 2004A</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 400,000	\$ 12,800	\$ 412,800
TOTAL	\$ 400,000	\$ 12,800	\$ 412,800

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Debt Service to Maturity (Continued)

Years Ending December 31,	General Obligation Refunding Bonds Series 2005B		
	Principal	Interest	Total
2010	\$ 110,000	\$ 344,300	\$ 454,300
2011	170,000	340,175	510,175
2012	205,000	333,800	538,800
2013	205,000	326,112	531,112
2014	385,000	316,888	701,888
2015	540,000	299,562	839,562
2016	560,000	279,852	839,852
2017	585,000	259,132	844,132
2018	630,000	237,196	867,196
2019	665,000	213,256	878,256
2020	700,000	187,652	887,652
2021	730,000	160,528	890,528
2022	770,000	132,058	902,058
2023	805,000	101,642	906,642
2024	845,000	69,846	914,846
2025	890,000	36,046	926,046
TOTAL	\$ 8,795,000	\$ 3,638,045	\$ 12,433,045

Years Ending December 31,	General Obligation Limited Tax Park Bonds Series 2009		
	Principal	Interest	Total
2010	\$ 501,070	\$ 9,961	\$ 511,031
TOTAL	\$ 501,070	\$ 9,961	\$ 511,031

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

Debt Service to Maturity (Continued)

Years Ending December 31,	General Obligation Bonds - All		
	Principal	Interest	Total
2010	\$ 1,011,070	\$ 367,061	\$ 1,378,131
2011	170,000	340,175	510,175
2012	205,000	333,800	538,800
2013	205,000	326,112	531,112
2014	385,000	316,888	701,888
2015	540,000	299,562	839,562
2016	560,000	279,852	839,852
2017	585,000	259,132	844,132
2018	630,000	237,196	867,196
2019	665,000	213,256	878,256
2020	700,000	187,652	887,652
2021	730,000	160,528	890,528
2022	770,000	132,058	902,058
2023	805,000	101,642	906,642
2024	845,000	69,846	914,846
2025	890,000	36,046	926,046
TOTAL	\$ 9,696,070	\$ 3,660,806	\$ 13,356,876

Fiscal Year Ending December 31,	General Obligation Capital Appreciation Bonds	
	Accretion	Principal Repayment
2010	\$ 43,513	\$ -
2011	44,059	365,000
2012	32,722	360,000
2013	19,523	360,000
2014	5,942	135,000
TOTAL	\$ 145,759	\$ 1,220,000

Short-Term Loan

On November 30, 2009, the District borrowed \$730,000 on a short-term loan. The loan was dated November 30, 2009 with an original maturity of February 27, 2010 with interest at 4.750%. This loan was paid off in December 2009, and resulted in \$1,541 in interest payments from the General Fund. This loan was necessary for the meeting of operational expenditures due to the timing of property tax receipts.

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES

a. Interfund Receivables/Payables

Due to/from other funds at December 31, 2009 is as follows:

	Due To	Due From
General Fund	\$ 141,491	\$ -
Recreation Fund	-	140,946
Debt Service Fund	-	425
Nonmajor Governmental Funds	-	120
TOTAL	\$ 141,491	\$ 141,491

All of the due to/from other funds are the result of reclassifying deficit cash balances. The amounts will be repaid within one year.

b. Interfund Transfers

Individual fund interfund transfers are as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 402,105
Recreation Fund	-	52,962
Debt Service Fund	811,855	487,587
Capital Projects Fund	149,096	18,297
Nonmajor Governmental Funds	3,599	3,599
TOTAL	\$ 964,550	\$ 964,550

The transfers resulted from:

- \$402,105 transferred from the General Fund to the Debt Service Series 2005B Fund \$(401,680) and the Debt Service Series 2003 Fund \$(425) is an annual transfer to cover debt service payments. The amount will not be repaid.
- \$409,750 transferred to the Debt Service Series 2004 Fund from the Debt Service Series 2009 Fund is an annual transfer to cover debt service payments. The amount will not be repaid.
- \$52,962 transferred from the Recreation Fund to the Capital Golf Fund is an annual transfer to cover the costs of golf related capital projects. The amount will not be repaid.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Interfund Transfers (Continued)

- \$96,134 transferred to the Capital Projects Fund from the Irrigation and Other Capital Projects Fund \$(18,297) and from the Series 2009 Debt Service Fund \$(77,387) is for budgeted capital improvements. The amount will not be repaid.
- \$3,599 transferred from the Museum Fund to the Memorial Fund is an annual transfer to cover operating costs in the Memorial Fund. The amount will not be repaid.

7. DEFICIT FUND BALANCE

The Recreation Fund had a deficit fund balance of \$116,432 as of December 31, 2009.

8. JOINT GOVERNED ORGANIZATION - NORTHWEST SPECIAL RECREATION ASSOCIATION

The District is a member of the Northwest Special Recreation Association (NWSRA), which was organized by 16 area park districts in order to provide special recreation programs to the physically and mentally handicapped within their districts and to share the expenses of such programs on a cooperative basis. Each District's fiscal year 2009 contribution is based on its pro rata share of 75% of the assessed valuation and 25% of the gross populations.

NWSRA's Board of Directors consists of one member from each participating district. The Board of Directors is the governing body of NWSRA and is responsible for establishing all major policies and changes therein and for approving all budgets, capital outlay, programming and master plans. The District is not financially accountable for the activities of NWSRA and, accordingly, NWSRA has not been included in the accompanying financial statements.

Complete financial statements for NWSRA can be obtained from NWSRA administrative offices at 3000 Central Road, Rolling Meadows, Illinois.

9. RISK MANAGEMENT

The District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses.

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT (Continued)

Since 2001, the District has been a member of the Park District Risk Management Agency (PDRMA), a risk management pool of park and forest preserve districts, and special recreation associations through which property, general liability, automobile liability, crime, boiler and machinery, public officials', employment practices liability and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The following table is a summary of the coverage in effect for the period January 1, 2008 through January 1, 2009 (most recent available):

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
Property, building and contents	\$ 1,000		\$1,000,000,000 per occurrence	PDRMA reinsurers	P070107
All losses per occurrence		\$ 1,000,000			
All losses aggregate		\$ 2,000,000			
Flood/except Zones A&V		\$ 100,000	\$250,000,000 per occurrence		
Flood, Zones A&V		\$ 250,000	\$200,000,000 per occurrence		
Earthquake shock		\$ 100,000	\$100,000,000 per occurrence		
Builders risk	\$ 1,000	\$ 250,000	\$1,000,000,000 per occurrence	Coverage Document	P070107
Auto physical damage	\$ 1,000	\$ 250,000	\$1,000,000,000 per occurrence	Coverage Document	P070107
Business interruption	\$ 1,000	N/A	\$100,000,000 business income and extra expense; other sub-limits apply, refer to policy	Coverage Document	P070107
Service interruption	24 hours	N/A	\$10,000,000 business income and extra expense; other sub-limits apply, refer to policy	Coverage Document	P070107
Boiler and machinery property damage	\$ 1,000	\$ 9,000	\$100,000,000 equipment breakdown	Travelers Indemnity Co. of Illinois	BM210525L47
Fidelity and crime	\$ 1,000	\$ 24,000	\$2,000,000	National Union	5398341
Seasonal employees		\$ 9,000	\$1,000,000	Fire Insurance Co.	
Blanket bond		\$ 24,000	\$2,000,000		
Workers' compensation	N/A	\$ 500,000	Statutory \$3,500,000 employers' liability	PDRMA Excess Reinsurers: Government Entities Mutual, Safety National Casualty Corp.	WC010108 GEM-0003-A08001 SP-2A67-IL

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT (Continued)

Coverage	Member Deductible	PDRMA Self-Insured Retention	Limits	Insurance Company	Policy Number
General liability	None	\$ 500,000	\$16,500,000/per occurrence	PDRMA Government Entities Mutual Everest Reinsurance Co.	L010109 GEM-0003- A08001 71P200001-081
Auto liability	None	Included	Included		
Uninsured/underinsured motorists	None	Included	\$1,000,000 per occurrence		
Public officials' liability	None	Included	Annual aggregate per member		
Employment practices	None	Included	\$16,500,000 per occurrence		
Law enforcement liability	None	Included	Included		
Pollution liability					
Liability - third party	None	\$ 25,000	\$5,000,000 per occurrence	XL	PEC 0025358
Property - first party	\$ 1,000	\$ 24,000	\$10,000,000 general	Environmental	
Scheduled locations only			aggregate	Insurance	

Losses exceeding the per occurrence self-insurance and reinsurance limit would be the responsibility of the District. PDRMA's Board of Directors evaluates the aggregate self-insured limit annually.

As a member of PDRMA, the District is represented on the Membership Assembly and is entitled to one vote. The relationship between the District and PDRMA is governed by a contract and by-laws that have been adopted by resolution of the District's governing body.

The District is contractually obligated to make all annual and supplementary contributions to PDRMA, to report claims on a timely basis, cooperate with PDRMA, its claims administrator and attorneys in claims investigation and settlement and to follow risk management procedures as outlined by PDRMA. Members have a contractual obligation to fund any deficit of PDRMA attributable to a membership year during which they were a member.

PDRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. PDRMA also provides its members with risk management services, including the defense of and settlement of claims and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. RISK MANAGEMENT (Continued)

Since 87% of PDRMA's liabilities are reserves for losses and loss adjustment expenses, which are based on an actuarial estimate of the ultimate losses incurred, the member balances are adjusted annually as more recent loss information becomes available.

Complete financial statements for the PDRMA can be obtained from the PDRMA's administration offices at 2033 Burlington Avenue, Lisle, Illinois.

Since 1998, the District has been a member of the PDRMA Health Program, a health benefits pool of park districts, special recreation associations, and public service organizations through which medical, vision, dental, life, and prescription drug coverages are provided in excess of specified limits for the members, acting as a single insurable unit.

The pool purchases excess insurance covering single claims over \$200,000. Until January 1, 2001, the PDRMA Health Program was a separate legal entity formerly known as the Illinois Park Employees Health Network (IPEHN).

Members can choose to provide any combination of coverages available to their employees, and pay premiums accordingly.

As a member of the PDRMA Health Program, the District is represented on the Health Program Council as well as the Membership Assembly and is entitled to one vote on each. The relationship between the member agency and the PDRMA Health Program is governed by a contract and by-laws that have been adopted by resolution of each member's governing body. Members are contractually obligated to make all monthly payments to the PDRMA Health Program and to fund any deficit of the PDRMA Health Program upon dissolution of the pool. They will share in any surplus of the pool based on a decision by the Health Program Council.

10. OTHER POSTEMPLOYMENT BENEFITS

The District's health insurance provider utilizes age based rates. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. Therefore, there is no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the District had no former employees for which the District was providing an explicit subsidy as of December 31, 2009. For the year ended December 31, 2009, the District has no former employees purchasing health insurance through the District.

11. RETIREMENT FUND COMMITMENTS

Illinois Municipal Retirement Fund

The District's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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 eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2008 was 9.04% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

For December 31, 2008, the District's annual pension cost of \$93,070 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2006 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions from IMRF included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributed to inflation, (c) projected salary increases ranging from 0.4% to 11.6% per year and (d) 3% per year cost-of-living adjustments for postretirement benefits. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 24 years.

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

For Calendar Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2007	\$ 104,351	100.00%	\$ -
2008	93,070	100.00%	-
2009	97,653	100.00%	-

The funded status of the plan as of December 31, 2008, based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plan are the same actuarial assumptions used to determine the employer APC of the plan as disclosed above:

	Illinois Municipal Retirement
Actuarial accrued liability (AAL)	\$ 2,045,165
Actuarial value of plan assets	1,850,763
Unfunded actuarial accrued liability (UAAL)	194,402
Funded ratio (actuarial value of plan assets/AAL)	90.49%
Covered payroll (active plan members)	\$ 1,029,534
UAAL as a percentage of covered payroll	18.88%

See the schedule of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan. Information as of December 31, 2009 was not available at the time of printing.

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. PRIOR PERIOD ADJUSTMENTS

The District has restated fund balances/net assets as of January 1, 2009. The effects of the restatements are as follows:

	General	Recreation	Capital Projects	Nonmajor Governmental	Governmental Activities
FUND BALANCE/NET ASSETS, BEGINNING OF YEAR (AS PREVIOUSLY REPORTED)	\$ 523,727	\$ (275,377)	\$ 370,604	\$ 264,705	\$ 8,004,068
Restated for:					
a) Correction on revenue recognition for property taxes	8,325	4,090	4,924	5,131	22,470
b) Correction of prior year payable	483	(483)	-	-	-
c) Correction on accrual for accreted interest for prior years	-	-	-	-	(186,914)
d) Record property tax revenues in the period intended to finance	-	-	-	-	(2,767,400)
Subtotal of restatements	8,808	3,607	4,924	5,131	(2,931,844)
FUND BALANCE/NET ASSETS, BEGINNING OF YEAR (RESTATED)	\$ 532,535	\$ (271,770)	\$ 375,528	\$ 269,836	\$ 5,072,224

REQUIRED SUPPLEMENTARY INFORMATION

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 925,000	\$ 892,840	\$ (32,160)
Replacement taxes	14,482	11,961	(2,521)
Investment income	11,000	9,009	(1,991)
Donations	-	2,000	2,000
Miscellaneous	8,020	7,795	(225)
Total revenues	958,502	923,605	(34,897)
EXPENDITURES			
Current			
General government			
Salaries and wages	328,704	302,137	(26,567)
Employee benefits	66,780	52,935	(13,845)
Contractual services	149,450	67,634	(81,816)
Commodities	42,900	30,835	(12,065)
Debt service			
Interest and fiscal charges	5,000	1,541	(3,459)
Total expenditures	592,834	455,082	(137,752)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	365,668	468,523	102,855
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(402,105)	(402,105)	-
Total other financing sources (uses)	(402,105)	(402,105)	-
NET CHANGE IN FUND BALANCE	\$ (36,437)	66,418	\$ 102,855
FUND BALANCE, JANUARY 1		523,727	
Prior period adjustment		8,808	
FUND BALANCE, JANUARY 1, RESTATED		532,535	
FUND BALANCE, DECEMBER 31		\$ 598,953	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 425,000	\$ 438,654	\$ 13,654
Charges for services			
Program fees	684,063	614,761	(69,302)
Golf and pro shop fees	1,305,726	1,313,142	7,416
Pool fees	70,755	66,597	(4,158)
GMRC rentals	31,395	35,646	4,251
Donations	2,000	2	(1,998)
Miscellaneous	6,845	27,732	20,887
	<hr/>		
Total revenues	2,525,784	2,496,534	(29,250)
<hr/>			
EXPENDITURES			
Current			
Recreation			
Salaries and wages	1,287,500	1,232,323	(55,177)
Employee benefits	145,091	142,555	(2,536)
Contractual services	492,998	377,008	(115,990)
Commodities	521,340	536,348	15,008
	<hr/>		
Total expenditures	2,446,929	2,288,234	(158,695)
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	78,855	208,300	129,445
 OTHER FINANCING SOURCES (USES)			
Transfers (out)	(7,030)	(52,962)	(45,932)
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ 71,825</u>	<u>155,338</u>	<u>\$ 83,513</u>
 FUND BALANCE (DEFICIT), JANUARY 1			
		(275,377)	
Prior period adjustment		<u>3,607</u>	
 FUND BALANCE (DEFICIT), JANUARY 1, RESTATED			
		<u>(271,770)</u>	
 FUND BALANCE (DEFICIT), DECEMBER 31			
		<u>\$ (116,432)</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2009

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2004	\$ 72,932	\$ 72,932	100.00%
2005	87,661	87,661	100.00%
2006	105,546	105,546	100.00%
2007	104,351	104,351	100.00%
2008	93,070	93,070	100.00%
2009	97,653	97,653	100.00%

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2009

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2004	\$ 1,077,639	\$ 1,198,814	89.89%	\$ 121,175	\$ 931,449	13.01%
2005	1,271,358	1,406,827	90.37%	135,469	990,523	13.68%
2006	1,507,691	1,619,545	93.09%	111,854	1,096,008	10.21%
2007	1,785,573	1,887,240	94.61%	101,667	1,118,450	9.09%
2008	1,850,763	2,045,165	90.49%	194,402	1,029,534	18.88%
2009	N/A	N/A	N/A	N/A	N/A	N/A

Information as of December 31, 2009 was not available at the time of printing.

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2009

1. BUDGETS

The Board of Commissioners follows these procedures in establishing the budgetary data reflected in the basic financial statements. Prior to the December board meeting, the Business Manager submits to the Board of Park Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

Notice is given and public meetings are conducted to obtain taxpayer comments. The Board of Park Commissioners may add to, subtract from or change appropriations, but may not change the form of the budget. Prior to the end of the first quarter of each fiscal year, the budget is legally enacted through the passage of an annual combined budget and appropriation ordinance.

Budgets for the General, Special Revenue, Capital Projects and Debt Service Funds are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgetary information for individual funds is prepared on the same basis as the basic financial statements. All budgets are prepared based on the annual fiscal year of the District. Budgetary funds are controlled by an integrated budgetary accounting system in accordance, where applicable, with various legal requirements which govern the District.

The appropriation law allows for transfers by management among line items in any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Board of Park Commissioners. After the first six months of any fiscal year, the District Board may, by a two-thirds vote, amend the initially approved budget and appropriations ordinance. Unused appropriations may be reappropriated at the end of the fiscal year. The budget and appropriation ordinance was not amended for the year ended December 31, 2009. No budget amendments were made during the year. The operating budget is presented in these financial statements.

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. EXCESS OF EXPENDITURES OVER APPROPRIATION

The following individual funds exceeded the operating budgets in the following amounts. However, the expenditures were less than the appropriation except for the Community Events Fund.

	Expenditures	Operating Budget	Appropriation
Bond and Interest Fund Series 2009	\$ 13,483	\$ 12,500	\$ 15,000
Memorial Fund	7,053	6,200	7,440
Community Events Fund	13,285	6,755	8,106

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMBINING BALANCE SHEET BY SUBFUND
DEBT SERVICE FUND

December 31, 2009

	Bond and Interest 2003A	Bond and Interest 2004	Bond and Interest 2005B	Bond and Interest 2008	Bond and Interest 2009	Total
ASSETS						
Cash and investments	\$ -	\$ -	\$ -	\$ 4,598	\$ -	\$ 4,598
Property taxes receivable	-	-	-	13,000	511,030	524,030
Prepaid items	425	-	-	-	-	425
TOTAL ASSETS	\$ 425	\$ -	\$ -	\$ 17,598	\$ 511,030	\$ 529,053
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ 511,030	\$ 511,030
Due to other funds	425	-	-	-	-	425
Total liabilities	425	-	-	-	511,030	511,455
FUND BALANCES						
Reserved for prepaid items	425	-	-	-	-	425
Reserved for debt service	(425)	-	-	17,598	-	17,173
Total fund balances	-	-	-	17,598	-	17,598
TOTAL LIABILITIES AND FUND BALANCES	\$ 425	\$ -	\$ -	\$ 17,598	\$ 511,030	\$ 529,053

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY SUBFUND - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended December 31, 2009

	Bond and Interest 2003	Bond and Interest 2004A	Bond and Interest 2005B	Bond and Interest 2008	Bond and Interest 2009	Total
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 528,118	\$ -	\$ 528,118
Total revenues	-	-	-	528,118	-	528,118
EXPENDITURES						
General government	-	-	-	-	13,483	13,483
Debt service						
Principal retirement	-	385,000	55,000	494,435	-	934,435
Interest and fiscal charges	425	24,750	346,680	16,085	-	387,940
Total expenditures	425	409,750	401,680	510,520	13,483	1,335,858
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(425)	(409,750)	(401,680)	17,598	(13,483)	(807,740)
OTHER FINANCING SOURCES (USES)						
Bonds issued, at par	-	-	-	-	501,070	501,070
Transfers in	425	409,750	401,680	-	-	811,855
Transfers (out)	-	-	-	-	(487,587)	(487,587)
Total other financing sources (uses)	425	409,750	401,680	-	13,483	324,268
NET CHANGE IN FUND BALANCES	-	-	-	17,598	-	17,598
FUND BALANCES, JANUARY 1	-	-	-	-	-	-
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ 17,598	\$ -	\$ 17,598

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST SERIES 2003 SUBFUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
None	\$ -	\$ -	\$ -
	<hr/>		
Total revenues	-	-	-
	<hr/>		
EXPENDITURES			
Debt service			
Interest and fiscal charges	425	425	-
	<hr/>		
Total expenditures	425	425	-
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(425)	(425)	-
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	425	425	-
	<hr/>		
Total other financing sources (uses)	425	425	-
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	-	\$ -
	<hr/>		
FUND BALANCE, JANUARY 1		-	
	<hr/>		
FUND BALANCE, DECEMBER 31		\$ -	
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(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST SERIES 2004A SUBFUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
None	\$ -	\$ -	\$ -
	<hr/>		
Total revenues	-	-	-
<hr/>			
EXPENDITURES			
General government			
Contractual services	679	-	(679)
Debt service			
Principal retirement	385,000	385,000	-
Interest and fiscal charges	24,750	24,750	-
	<hr/>		
Total expenditures	410,429	409,750	(679)
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(410,429)	(409,750)	679
<hr/>			
OTHER FINANCING SOURCES (USES)			
Transfers in	410,429	409,750	(679)
	<hr/>		
Total other financing sources (uses)	410,429	409,750	(679)
<hr/>			
NET CHANGE IN FUND BALANCE	\$ -	-	\$ -
<hr/> <hr/>			
FUND BALANCE, JANUARY 1		-	
		<hr/>	
FUND BALANCE, DECEMBER 31		\$ -	
		<hr/> <hr/>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST SERIES 2005B SUBFUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Debt service			
Principal retirement	55,000	55,000	-
Interest and fiscal charges	346,680	346,680	-
Total expenditures	401,680	401,680	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(401,680)	(401,680)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	401,680	401,680	-
Total other financing sources (uses)	401,680	401,680	-
NET CHANGE IN FUND BALANCE	\$ -	-	\$ -
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		\$ -	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST SERIES 2008 SUBFUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 510,520	\$ 528,118	\$ 17,598
Total revenues	510,520	528,118	17,598
EXPENDITURES			
Debt service			
Principal retirement	494,435	494,435	-
Interest and fiscal charges	16,085	16,085	-
Total expenditures	510,520	510,520	-
NET CHANGE IN FUND BALANCE	\$ -	17,598	\$ 17,598
FUND BALANCE, JANUARY 1		-	
FUND BALANCE, DECEMBER 31		\$ 17,598	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BOND AND INTEREST SERIES 2009 SUBFUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
None	\$ -	\$ -	\$ -
	<hr/>		
Total revenues	-	-	-
<hr/>			
EXPENDITURES			
General government			
Contractual services	12,250	13,483	1,233
Debt service			
Interest and fiscal charges	250	-	(250)
	<hr/>		
Total expenditures	12,500	13,483	983
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,500)	(13,483)	(983)
<hr/>			
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	500,000	501,070	1,070
Transfers (out)	(487,500)	(487,587)	(87)
	<hr/>		
Total other financing sources (uses)	12,500	13,483	983
<hr/>			
NET CHANGE IN FUND BALANCE	\$ -	-	\$ -
<hr/> <hr/>			
FUND BALANCE, JANUARY 1		-	
		<hr/>	
FUND BALANCE, DECEMBER 31		\$ -	
		<hr/> <hr/>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMBINING BALANCE SHEET BY SUBFUND
CAPITAL PROJECTS FUND

December 31, 2009

	Capital Projects	Capital Golf	Irrigation and Other Capital Projects	Total
ASSETS				
Cash and investments	\$ 342,498	\$ 53,114	\$ -	\$ 395,612
TOTAL ASSETS	<u>\$ 342,498</u>	<u>\$ 53,114</u>	<u>\$ -</u>	<u>\$ 395,612</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 10,212	\$ -	\$ -	\$ 10,212
Total liabilities	<u>10,212</u>	<u>-</u>	<u>-</u>	<u>10,212</u>
FUND BALANCES				
Reserved for capital projects	<u>332,286</u>	<u>53,114</u>	<u>-</u>	<u>385,400</u>
Total fund balances	<u>332,286</u>	<u>53,114</u>	<u>-</u>	<u>385,400</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 342,498</u></u>	<u><u>\$ 53,114</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 395,612</u></u>

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES BY SUBFUND - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2009

	Capital Projects	Capital Golf	Irrigation and Other Capital Projects	Total
REVENUES				
Investment income	\$ -	\$ -	\$ 809	\$ 809
Total revenues	-	-	809	809
EXPENDITURES				
Capital outlay				
Building improvements	4,515	-	-	4,515
Capital improvements	4,800	-	99,987	104,787
Land improvements	4,540	-	-	4,540
Capital purchases	7,894	-	-	7,894
Total expenditures	21,749	-	99,987	121,736
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,749)	-	(99,178)	(120,927)
OTHER FINANCING SOURCES (USES)				
Transfers in	96,134	52,962	-	149,096
Transfers (out)	-	-	(18,297)	(18,297)
Total other financing sources (uses)	96,134	52,962	(18,297)	130,799
NET CHANGE IN FUND BALANCES	74,385	52,962	(117,475)	9,872
FUND BALANCE, JANUARY 1	252,977	152	117,475	370,604
Prior period adjustment	4,924	-	-	4,924
FUND BALANCES, JANUARY 1, RESTATED	257,901	152	117,475	375,528
FUND BALANCES, DECEMBER 31	\$ 332,286	\$ 53,114	\$ -	\$ 385,400

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Miscellaneous	\$ 5,000	\$ -	\$ (5,000)
Total revenues	5,000	-	(5,000)
EXPENDITURES			
Capital outlay			
Building improvements	63,300	4,515	(58,785)
Capital improvements	75,500	4,800	(70,700)
Land improvements	85,000	4,540	(80,460)
Capital purchases	13,000	7,894	(5,106)
Total expenditures	236,800	21,749	(215,051)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(231,800)	(21,749)	210,051
OTHER FINANCING SOURCES (USES)			
Transfers in	77,071	96,134	19,063
NET CHANGE IN FUND BALANCE	<u>\$ (154,729)</u>	<u>74,385</u>	<u>\$ 229,114</u>
FUND BALANCE, JANUARY 1		252,977	
Prior period adjustment		<u>4,924</u>	
FUND BALANCE, JANUARY 1, RESTATED		<u>257,901</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 332,286</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
None	\$ -	\$ -	\$ -
	<hr/>		
Total revenues	-	-	-
<hr/>			
EXPENDITURES			
Capital improvements	16,000	-	\$ (16,000)
	<hr/>		
Total expenditures	16,000	-	(16,000)
<hr/>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(16,000)	-	16,000
OTHER FINANCING SOURCES (USES)			
Transfers in	7,030	52,962	45,932
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ (8,970)	52,962	\$ 61,932
<hr/>			
FUND BALANCE, JANUARY 1		152	
		<hr/>	
FUND BALANCE, DECEMBER 31		\$ 53,114	
		<hr/> <hr/>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
IRRIGATION AND OTHER CAPITAL PROJECTS SUBFUND

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment income	\$ -	\$ 809	\$ 809
Total revenues	-	809	809
EXPENDITURES			
Capital outlay			
Capital improvements	111,000	99,987	(11,013)
Total expenditures	111,000	99,987	(11,013)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(111,000)	(99,178)	11,822
OTHER FINANCING (USES)			
Transfers (out)	-	(18,297)	(18,297)
NET CHANGE IN FUND BALANCE	<u>\$ (111,000)</u>	<u>(117,475)</u>	<u>\$ (6,475)</u>
FUND BALANCE, JANUARY 1		<u>117,475</u>	
FUND BALANCE, DECEMBER 31		<u>\$ -</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2009

	Special Revenue			
	Audit	Paving and Lighting	Liability Insurance	Social Security
ASSETS				
Cash	\$ 67	\$ 16,368	\$ 42,734	\$ 8,251
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	13,150	10,250	97,373	133,297
Accounts receivable	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 13,217	\$ 26,618	\$ 140,107	\$ 141,548
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ (9)	\$ 360	\$ -
Deferred revenue	13,000	10,000	95,000	130,000
Due to other funds	-	-	-	-
Total liabilities	13,000	9,991	95,360	130,000
FUND BALANCES				
Reserved for prepaid items	-	-	-	-
Reserved for specific purpose	217	16,627	44,747	11,548
Unreserved Special Revenue Fund	-	-	-	-
Total fund balances	217	16,627	44,747	11,548
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,217	\$ 26,618	\$ 140,107	\$ 141,548

Special Revenue							
Illinois Municipal Retirement	Police	Museum	Special Recreation	Memorial	Community Events	Total	
\$ 37,299	\$ 9,442	\$ 3,611	\$ 153,508	\$ -	\$ 44,107	\$ 315,387	
102,498	61,499	10,250	132,632	-	-	560,949	
-	-	-	-	120	-	120	
-	114	-	-	-	-	114	
<u>\$ 139,797</u>	<u>\$ 71,055</u>	<u>\$ 13,861</u>	<u>\$ 286,140</u>	<u>\$ 120</u>	<u>\$ 44,107</u>	<u>\$ 876,570</u>	
\$ 11,671	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ 12,722	
100,000	60,000	10,000	129,400	-	-	547,400	
-	-	-	-	120	-	120	
<u>111,671</u>	<u>60,700</u>	<u>10,000</u>	<u>129,400</u>	<u>120</u>	<u>-</u>	<u>560,242</u>	
-	114	-	-	-	-	114	
28,126	10,241	3,861	156,740	-	-	272,107	
-	-	-	-	-	44,107	44,107	
<u>28,126</u>	<u>10,355</u>	<u>3,861</u>	<u>156,740</u>	<u>-</u>	<u>44,107</u>	<u>316,328</u>	
<u>\$ 139,797</u>	<u>\$ 71,055</u>	<u>\$ 13,861</u>	<u>\$ 286,140</u>	<u>\$ 120</u>	<u>\$ 44,107</u>	<u>\$ 876,570</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Special Revenue			
	Audit	Paving and Lighting	Liability Insurance	Social Security
REVENUES				
Property taxes	\$ 6,089	\$ 10,148	\$ 96,402	\$ 133,949
Charges for services	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	1,000	-
Total revenues	6,089	10,148	97,402	133,949
EXPENDITURES				
Current				
General government	6,000	9,734	50,877	12,268
Recreation	-	-	36,962	108,872
Total expenditures	6,000	9,734	87,839	121,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	89	414	9,563	12,809
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	89	414	9,563	12,809
FUND BALANCES (DEFICIT), JANUARY 1	71	16,119	34,285	(2,510)
Prior period adjustment	57	94	899	1,249
FUND BALANCES (DEFICIT), JANUARY 1, RESTATED	128	16,213	35,184	(1,261)
FUND BALANCES, DECEMBER 31	\$ 217	\$ 16,627	\$ 44,747	\$ 11,548

Special Revenue						
Illinois Municipal Retirement	Police	Museum	Special Recreation	Memorial	Community Events	Total
\$ 101,477	\$ 60,886	\$ 10,148	\$ 131,311	\$ -	\$ -	\$ 550,410
-	-	-	-	-	10,179	10,179
-	-	-	-	3,454	1,570	5,024
-	-	-	-	-	5,845	6,845
101,477	60,886	10,148	131,311	3,454	17,594	572,458
17,890	22,532	-	-	-	-	119,301
79,762	32,000	6,500	122,231	7,053	13,285	406,665
97,652	54,532	6,500	122,231	7,053	13,285	525,966
3,825	6,354	3,648	9,080	(3,599)	4,309	46,492
-	-	-	-	3,599	-	3,599
-	-	(3,599)	-	-	-	(3,599)
-	-	(3,599)	-	3,599	-	-
3,825	6,354	49	9,080	-	4,309	46,492
23,355	3,433	3,718	146,436	-	39,798	264,705
946	568	94	1,224	-	-	5,131
24,301	4,001	3,812	147,660	-	39,798	269,836
\$ 28,126	\$ 10,355	\$ 3,861	\$ 156,740	\$ -	\$ 44,107	\$ 316,328

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 6,000	\$ 6,089	\$ 89
Total revenues	6,000	6,089	89
EXPENDITURES			
Current			
General government			
Audit fees	6,000	6,000	-
Total expenditures	6,000	6,000	-
NET CHANGE IN FUND BALANCE	\$ -	89	\$ 89
FUND BALANCE, JANUARY 1		71	
Prior period adjustment		57	
FUND BALANCE, JANUARY 1, RESTATED		128	
FUND BALANCE, DECEMBER 31		\$ 217	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 10,000	\$ 10,148	\$ 148
Miscellaneous	60	-	(60)
Total revenues	10,060	10,148	88
EXPENDITURES			
Current			
General government			
Contractual services	4,500	4,530	30
Commodities	11,000	5,204	(5,796)
Total expenditures	15,500	9,734	(5,766)
NET CHANGE IN FUND BALANCE	\$ (5,440)	414	\$ 5,854
FUND BALANCE, JANUARY 1		16,119	
Prior period adjustment		94	
FUND BALANCE, JANUARY 1, RESTATED		16,213	
FUND BALANCE, DECEMBER 31		\$ 16,627	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 95,000	\$ 96,402	\$ 1,402
Miscellaneous	1,000	1,000	-
Total revenues	<u>96,000</u>	<u>97,402</u>	<u>1,402</u>
EXPENDITURES			
Current			
General government			
Salaries and wages	10,000	10,000	-
Contractual services			-
Liability insurance	21,000	20,720	(280)
Workmen's compensation	17,500	15,198	(2,302)
Unemployment compensation	3,500	1,044	(2,456)
Legal settlements and claims	19,000	1,764	(17,236)
Physicals and training	1,900	2,151	251
Recreation			
Contractual services			
Liability insurance	21,000	20,720	(280)
Workmen's compensation	17,500	15,198	(2,302)
Unemployment compensation	3,500	1,044	(2,456)
Total expenditures	<u>114,900</u>	<u>87,839</u>	<u>(27,061)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (18,900)</u>	<u>9,563</u>	<u>\$ 28,463</u>
FUND BALANCE, JANUARY 1		34,285	
Prior period adjustment		<u>899</u>	
FUND BALANCE, JANUARY 1, RESTATED		<u>35,184</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 44,747</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 132,000	\$ 133,949	\$ 1,949
Total revenues	<u>132,000</u>	<u>133,949</u>	<u>1,949</u>
EXPENDITURES			
Current			
General government			
Social security contributions	12,758	12,268	(490)
Recreation			
Social security contributions	<u>114,821</u>	<u>108,872</u>	<u>(5,949)</u>
Total expenditures	<u>127,579</u>	<u>121,140</u>	<u>(6,439)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 4,421</u></u>	<u><u>12,809</u></u>	<u><u>\$ 8,388</u></u>
FUND BALANCE (DEFICIT), JANUARY 1		(2,510)	
Prior period adjustment		<u>1,249</u>	
FUND BALANCE (DEFICIT), JANUARY 1, RESTATED		<u>(1,261)</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 11,548</u></u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 100,000	\$ 101,477	\$ 1,477
Total revenues	<u>100,000</u>	<u>101,477</u>	<u>1,477</u>
EXPENDITURES			
Current			
General government			
IMRF contributions	19,325	17,890	(1,435)
Recreation			
IMRF contributions	<u>88,036</u>	<u>79,762</u>	<u>(8,274)</u>
Total expenditures	<u>107,361</u>	<u>97,652</u>	<u>(9,709)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,361)</u>	<u>3,825</u>	<u>\$ 11,186</u>
FUND BALANCE, JANUARY 1		23,355	
Prior period adjustment		<u>946</u>	
FUND BALANCE, JANUARY 1, RESTATED		<u>24,301</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 28,126</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 60,000	\$ 60,886	\$ 886
Total revenues	<u>60,000</u>	<u>60,886</u>	<u>886</u>
EXPENDITURES			
Current			
General government			
Contractual services	26,400	22,532	(3,868)
Recreation			
Salaries and wages	32,000	32,000	-
Total expenditures	<u>58,400</u>	<u>54,532</u>	<u>(3,868)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,600</u>	<u>6,354</u>	<u>\$ 4,754</u>
FUND BALANCE, JANUARY 1		3,433	
Prior period adjustment		<u>568</u>	
FUND BALANCE, JANUARY 1, RESTATED		<u>4,001</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 10,355</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 10,000	\$ 10,148	\$ 148
Total revenues	<u>10,000</u>	<u>10,148</u>	<u>148</u>
EXPENDITURES			
Current			
Recreation			
Salaries and wages	<u>6,500</u>	<u>6,500</u>	<u>-</u>
Total expenditures	<u>6,500</u>	<u>6,500</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,500</u>	<u>3,648</u>	<u>148</u>
OTHER FINANCING (USES)			
Transfers (out)	<u>(4,250)</u>	<u>(3,599)</u>	<u>651</u>
NET CHANGE IN FUND BALANCE	<u>\$ (750)</u>	<u>49</u>	<u>\$ 799</u>
FUND BALANCE, JANUARY 1		3,718	
Prior period adjustment		<u>94</u>	
FUND BALANCE, JANUARY 1, RESTATED		<u>3,812</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 3,861</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 129,400	\$ 131,311	\$ 1,911
Total revenues	<u>129,400</u>	<u>131,311</u>	<u>1,911</u>
EXPENDITURES			
Current			
Recreation			
Annual contribution to Northwest Special Recreation Association	75,225	75,225	-
Facility usage	21,092	21,092	-
Special recreation projects	8,640	8,655	15
Americans with Disability Act compliance purchases	12,000	17,259	5,259
Capital outlay	50,000	-	(50,000)
Total expenditures	<u>166,957</u>	<u>122,231</u>	<u>(44,726)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (37,557)</u></u>	<u>9,080</u>	<u>\$ 46,637</u>
FUND BALANCE, JANUARY 1		146,436	
Prior period adjustment		<u>1,224</u>	
FUND BALANCE, JANUARY 1, RESTATED		<u>147,660</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 156,740</u></u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
REVENUES			
Donations	\$ 1,000	\$ 3,454	\$ 2,454
Total revenues	<u>1,000</u>	<u>3,454</u>	<u>2,454</u>
EXPENDITURES			
Current			
Recreation			
Salaries and wages	3,000	3,000	-
Commodities	1,700	3,053	1,353
Contractual services	1,500	1,000	(500)
Total expenditures	<u>6,200</u>	<u>7,053</u>	<u>853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,200)	(3,599)	1,601
OTHER FINANCING SOURCES			
Transfers in	<u>4,250</u>	<u>3,599</u>	<u>(651)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (950)</u>	-	<u>\$ 950</u>
FUND BALANCE, JANUARY 1		<u>-</u>	
FUND BALANCE, DECEMBER 31		<u>\$ -</u>	

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2009

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Donations	\$ 1,600	\$ 1,570	\$ (30)
Summer Fest	7,700	10,179	2,479
Miscellaneous	-	5,845	5,845
Total revenues	<u>9,300</u>	<u>17,594</u>	<u>8,294</u>
EXPENDITURES			
Current			
Recreation			
Commodities	600	2,901	2,301
Contractual services	6,155	10,384	4,229
Total expenditures	<u>6,755</u>	<u>13,285</u>	<u>6,530</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,545</u>	4,309	<u>\$ 1,764</u>
FUND BALANCE, JANUARY 1		<u>39,798</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 44,107</u>	

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF ASSESSED VALUATIONS, EXTENSIONS,
TAX RATES AND COLLECTIONS

Last Ten Levy Years

TAX LEVY YEAR	2008	2007	2006	2005	2004
ASSESSED VALUATION	\$ 450,482,521	\$ 421,829,772	\$ 349,283,985	\$ 346,890,926	\$ 323,342,813
TAX RATES					
General	0.2012	0.1998	0.2527	0.2626	0.2889
Recreation	0.0989	0.1082	0.1048	0.0740	0.0637
Audit	0.0014	0.0015	0.0018	-	0.0041
Paving and lighting	0.0023	0.0037	0.0050	-	0.0029
Liability insurance	0.0217	0.0195	0.0165	0.0416	0.0389
IMRF and Social Security	0.0000	0.0549	0.0655	0.0670	0.045
IMRF	0.0229	-	-	-	-
Social Security	0.0302	-	-	-	-
Police	0.0137	0.0122	0.0171	-	0.0153
Museum	0.0023	0.0021	0.0031	0.0024	0.0020
Special recreation	0.0296	0.0316	0.0382	0.0376	0.0351
Debt Service	0.1190	0.1271	0.1535	0.1545	0.1658
TOTAL TAX RATES	0.5432	0.5606	0.6582	0.6397	0.6617
TAX EXTENSIONS					
General	\$ 906,190	\$ 842,816	\$ 882,641	\$ 910,936	\$ 934,137
Recreation	445,160	456,420	366,050	256,699	205,969
Audit	6,180	6,327	6,287	-	13,257
Paving and lighting	10,300	15,608	17,464	-	9,377
Liability insurance	97,850	82,257	57,632	144,307	125,780
IMRF and Social Security	-	231,585	228,781	232,417	145,504
IMRF	103,000	-	-	-	-
Social Security	135,960	-	-	-	-
Police	61,800	51,463	59,728	-	49,471
Museum	10,300	8,858	10,828	8,325	6,467
Special recreation	133,282	133,298	133,426	130,431	113,493
Debt service	536,046	536,146	536,151	535,946	536,102
TOTAL TAX EXTENSIONS	\$ 2,446,068	\$ 2,364,778	\$ 2,298,988	\$ 2,219,061	\$ 2,139,557
TAX COLLECTIONS		\$ 2,410,022	\$ 2,291,917	\$ 2,196,764	\$ 2,150,456
PERCENT COLLECTED		101.91%	99.69%	99.00%	100.51%

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

	2003	2002	2001	2000	1999
\$	280,168,513	\$ 289,904,507	\$ 270,094,806	\$ 224,330,285	\$ 225,880,860
	0.2913	0.2890	0.2920	0.3500	0.3493
	0.0743	0.0656	0.0626	0.0750	0.0748
	0.0050	0.0040	0.0042	0.0050	0.0050
	0.0050	0.0040	0.0042	0.0050	0.0046
	0.0383	0.0288	0.0294	0.0321	0.0383
	0.0548	0.0575	0.0588	0.0643	0.0520
	-	-	-	-	-
	-	-	-	-	-
	0.0248	0.0008	0.0141	0.0092	0.0079
	0.0075	-	0.0064	0.0069	0.0065
	0.0368	0.0206	0.0210	0.0230	0.0182
	0.1913	0.1849	0.1985	0.2390	0.2372
	0.7291	0.6552	0.6912	0.8095	0.7938
\$	816,131	\$ 837,824	\$ 788,677	\$ 785,156	\$ 789,002
	208,165	190,177	169,079	168,248	168,959
	14,008	11,596	11,344	11,217	11,294
	14,008	11,596	11,344	11,217	10,391
	107,305	83,492	79,408	72,010	86,512
	153,532	166,695	158,816	144,244	117,458
	-	-	-	-	-
	-	-	-	-	-
	69,482	2,319	38,083	20,638	17,845
	21,013	-	17,286	15,479	14,682
	103,102	59,720	56,720	51,596	41,110
	535,962	536,033	536,138	536,149	535,789
\$	2,042,708	\$ 1,899,452	\$ 1,866,895	\$ 1,815,954	\$ 1,793,042
\$	1,961,345	\$ 1,792,572	\$ 1,895,004	\$ 1,742,551	\$ 1,750,382
	96.02%	94.37%	101.51%	95.96%	97.62%

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2009

ASSESSED VALUATION (2008 Latest Year Available)	<u>\$ 450,482,521</u>
Statutory Debt Limitation (2.875% of Assessed Valuation)	\$ 12,951,372
Total Bonded Debt	<u>10,770,311</u>
LEGAL DEBT MARGIN	<u>\$ 2,181,061</u>

Note: The Park District Code currently authorizes the issuance of bonds and notes in aggregate amount not to exceed 2.875% within the District, unless increased by referendum to not more than 5.75%.

(See independent auditor's report.)