

PROSPECT HEIGHTS PARK DISTRICT

A photograph of a green park bench with white text overlaid on it. The bench is made of horizontal wooden slats. The background shows a blurred green hedge and a grey concrete wall. The text is centered on the bench's backrest.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012**

PROSPECT HEIGHTS, ILLINOIS

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2012

Prepared by:
Annette Curtis, Business Manager

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PROSPECT HEIGHTS, ILLINOIS
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PROSPECT HEIGHTS, ILLINOIS
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INTRODUCTORY SECTION

Prospect Heights Park District

List of Principal Officials

December 31, 2012

Board of Commissioners

Jack E.Barrett, President

Patrick Ludvigsen, Vice President

Lisa Gould, Treasurer

William Vannelli, Secretary

Terry Curtis, Commissioner

Mark Malouf, Commissioner

Karl Jackson, Commissioner

Park District Attorney

James Lennon

Kathleen Nowicki, CPRP
Executive Director

Annette Curtis, CPRP
Business Manager

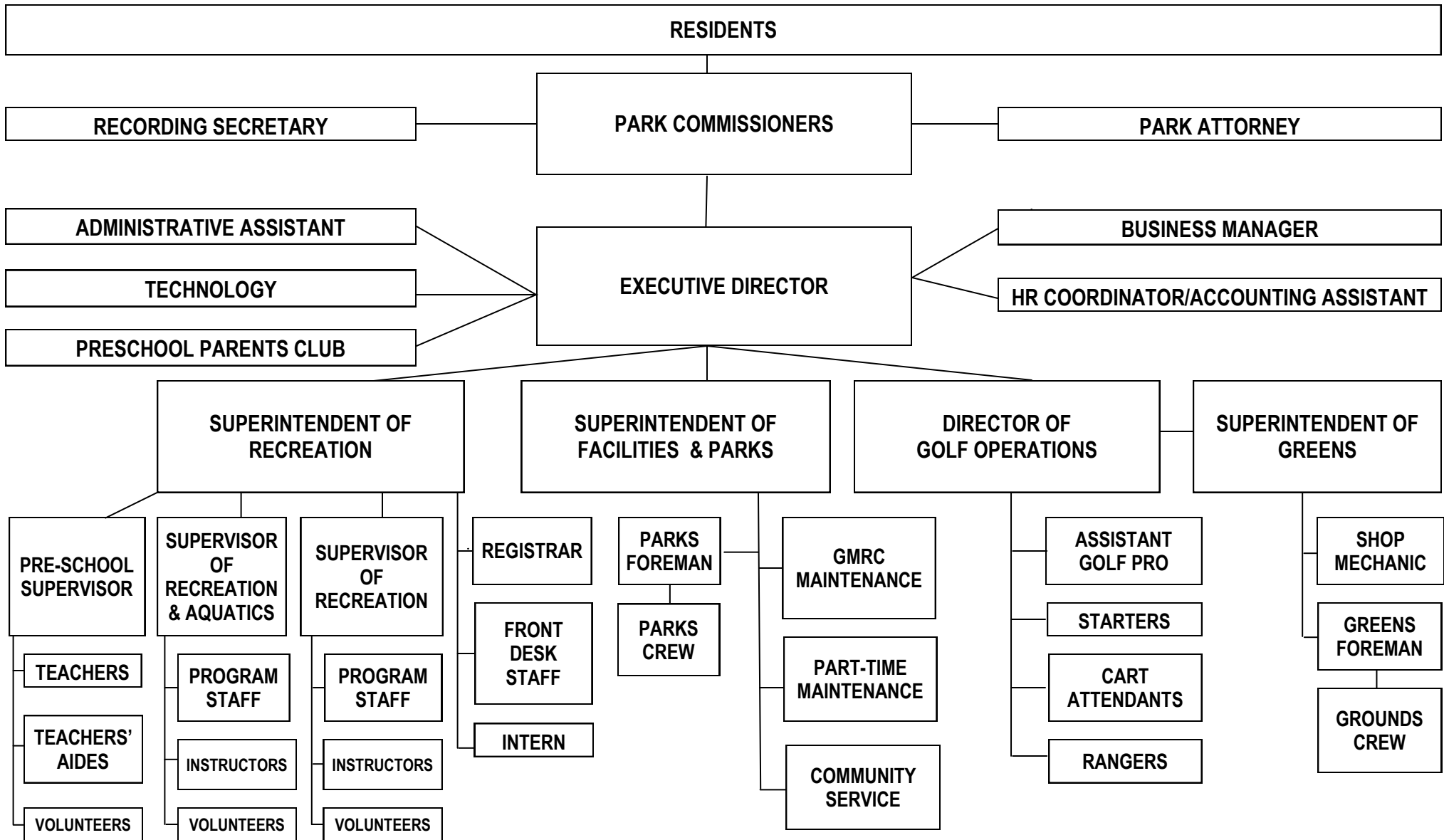
Dave Figgins, CPRP
Superintendent of Recreation

Marc Heidkamp
Director of Golf Operations

Dino Squiers
Superintendent of Maintenance and Parks

Gerald Arden
Superintendent of Greens

PROSPECT HEIGHTS PARK DISTRICT ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Prospect Heights Park District
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emswiler

Executive Director



PROSPECT HEIGHTS PARK DISTRICT

Phone: (847) 394-2848

Fax: (847) 394-7799

110 W. Camp McDonald Road • Prospect Heights, Illinois 60070

April 16, 2013

Board of Park Commissioners and Citizens of the
Prospect Heights Park District
110 W. Camp McDonald Rod
Prospect Height, Illinois 60070

The Comprehensive Annual Financial Report (CAFR) of the Prospect Heights Park District (District) for the fiscal year ending December 31, 2012 is hereby submitted as mandated by statutes. This report provides a broad view of the District's financial activities for 2012 fiscal year and its financial position at December 31, 2012. These statements are presented in conformity with generally accepted accounting principles (GAAP). Sikich LLP, a firm of licensed certified public accountants, has issued an unqualified ("clean") opinion on the Prospect Heights Park District's financial statements for the year ended December 31, 2012. The independent auditor's report is located at the front of the financial section of the report.

The report consists of management's representations concerning the finances of the Prospect Heights Park District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Prospect Heights Park District's financial statements in conformity with accounting principles generally accepted in the United States (GAAP). Because the cost of internal controls should not outweigh its benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter complements the MD&A and should be read in conjunction with it.

Profile of the Prospect Heights Park District

The District is located in Cook County and is 20 miles northwest of downtown Chicago, in an established community consisting primarily of residential property. The District serves most of the City of Prospect Heights, and small portions of the Village of Arlington Heights, the Village of Mt. Prospect and the Village of Wheeling. The population of the District is estimated to be approximately 15,000.

The District, incorporated in 1966, operates under a Board-Director form of government. Policymaking authority is vested in a governing board (Board of Commissioners) consisting of the President and six other members. Board members are elected at large and serve four – year terms, with elections every two years. The Board appoints the Executive Director who is responsible for the day- to-day operations.

The District provides recreation services and opportunities to all residents of the District. To accomplish this, the District follows a written mission statement. It states: “The Prospect Heights Park District’s mission is to enhance the quality of life for all residents of the District through the development and maintenance of park lands and facilities utilizing available resources, as well as to promote community involvement through a variety of recreation programs, educational opportunities and special events.”

Based on the mission, the District provides recreational programs, park management, capital development and general administration. Facilities operated by the Park District includes the Gary Marova Recreation Center, 14 park sites totaling 70 acres of park land, the Old Orchard Country Club totaling 100 acres, one outdoor swimming pool, and an assortment of baseball/ softball diamonds, football/soccer fields, tennis courts, playgrounds and picnic areas.

The District includes all departments of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. There are no other organizations for which we have financial accountability. The District, however, participates in Illinois Municipal Retirement Fund (IMRF), the Northwest Special Recreation Association (NWSRA), and the Park District Risk Management Agency (PDRMA). These organizations are considered separate governmental units because they are organized entities, have governmental character and are substantially autonomous. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

The District is required to adopt a final budget and appropriation ordinance by no later than three months after the beginning of the fiscal year. This annual budget serves as the foundation for the Prospect Heights Park District’s financial planning and control. The budget is prepared by fund and program activity. Department heads may transfer resources within a program as they see fit. Transfers between funds, however, need special approval from the Board of Commissioners.

Factors Affecting Economic Condition

Local Economy

The City of Prospect Heights is primarily a stable, fully developed, residential community; over 84% of the assessed valuation of the property in the Park District is residential. The District continues to experience limited growth in both residential and commercial development. Assessed valuation of \$380,925,506 for tax year 2011 represents a decrease of 10% compared to tax year 2010. The Prospect Heights Park District continues to strive to monitor social, economic, and population changes and to alter programs and services to meet the need of its residents.

Long-term Financial Planning

The District has been operating since 1999 under the Tax Limitation Act. Due to a change in the allocation of tax distributions, the tax revenue of the recreation fund has decreased for 2012. As a result the District has seen a decrease in the recreation fund's balance. During 2012 the golf operations were separated from the recreation fund and the golf fund was created. The fund balance associated with the golf fund is transferred to golf capital to support the capital need of the golf course. The District's adopted fund balance policy establishes an appropriate level of reserves for each fund. These reserves levels are monitored to ensure that the fund balances are increasing and reaching the appropriate level.

Future Initiatives

During 2011 the District completed a Comprehensive Park Master Plan and an ADA compliance audit. During 2012 the District began implementing the first phases of the master plan, with the creation of a new web site, upgraded on-line registration, additional marketing, and parks development. During 2013 the District will implement a new accounting system, continue addressing the ADA compliance issues related to the accessibility of the facilities and continued maintenance and repair of park lands and buildings.

Acknowledgments

This financial report was compiled through the efficient and dedicated efforts of the entire staff of the Finance Department, and the cooperation and assistance rendered by staff from the other departments of the Prospect Heights Park District. The staff would like to thank the Board of Commissioners for their interest and support in planning and conducting the financial operations of the District in a responsible manner.

Sincerely,



Kathy Nowicki
Executive Director



Annette Curtis
Business Manager

FINANCIAL SECTION



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of December 31, 2012, 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.

Emphasis-of-Matter

The District adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended December 31, 2012. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No 63. The adoption of this statement had no effect on any of the District's net positions or fund balances as of and for the year ended December 31, 2012.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Naperville, Illinois
February 28, 2013

GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS

Prospect Heights Park District Prospect Heights, Illinois

Management's Discussion and Analysis December 31, 2012

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 additional information that has been furnished in the transmittal letter, which can be found on page iv of this report, and 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, 2012 by \$6,379,688 (net position), an increase of \$390,234 in comparison with the prior year. Of this amount, \$551,961 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's combined Governmental Funds ending fund balance was \$1,637,155, an increase of \$224,163 in comparison with the prior year. Approximately 50% of this total fund balance, \$822,300, is available for spending at the discretion of the district (both unassigned and assigned fund balances).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$287,841 or 45% of the General Funds expenditures.
- Governmental debt outstanding is \$9,283,717, a decrease of \$504,616 (about 5.1% 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. This report also contains other supplementary information in addition to the basic 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 Position**. 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 position*. Over time, increases or decreases in net position 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 position changed during the current fiscal year. All changes in net position 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 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 50 through 63.

The Major Funds:

General, Recreation, Golf, 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 fund. 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 10 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 11 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 32 of this report.

Government-wide Financial Analysis

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

The District's combined net assets and deferred outflows exceeded liabilities and deferred inflows by \$6,379,688 as of December 31, 2012.

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

The following table reflects the condensed Statement of Net Position:

Table 1
Statement of Net Position
December 31, 2012 and December 31, 2011

	Governmental Activites	
	2012	2011
Assets		
Current and other Assets	\$ 4,343,929	\$ 4,034,972
Capital Assets	14,070,989	14,398,469
Total Assets	18,414,918	18,433,441
Deferred Outflows of Resources	-	-
Total Assets and Deferred Outflows of Resources	18,414,918	18,433,441
Liabilities		
Current Liabilities	197,542	153,491
Noncurrent Liabilities	9,301,007	9,793,702
Total Liabilities	9,498,549	9,947,193
Deferred Inflows of Resources	2,536,681	2,496,794
Total Liabilities and Deferred Inflows of Resources	12,035,230	12,443,987
Net Position		
Invested in Capital Assets, Net of Debt	5,065,849	4,831,553
Restricted	761,878	671,102
Unrestricted	551,961	486,799
Total Net Position	\$ 6,379,688	\$ 5,989,454

By far the largest portion of the Prospect Heights Park District's net position, 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 position, 12% or \$761,878 reflect resources that are subject to external legal or contractual restrictions on how they may be used. The remaining 8.6% or \$551,961 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 Position on page 3.

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

Table 2
Changes in Net Position
December 31, 2012 and December 31, 2011

	Governmental Activities	
	2012	2011
Revenues		
Program Revenues:		
Charges for services	\$ 2,089,019	\$ 2,006,724
Operating grants	-	1,179
Contributions	39,725	28,000
General Revenues		
Taxes	2,510,864	2,475,875
Investment Income	931	7,259
Donations and Miscellaneous	36,218	28,964
Total Revenues	<u>4,676,757</u>	<u>4,548,001</u>
Expenses		
Program Expenses:		
General Government	772,549	758,122
Recreation	3,132,503	3,198,631
Interest	381,471	403,407
Total Expenses	<u>4,286,523</u>	<u>4,360,160</u>
Changes in Net Position	390,234	187,841
Net Position, January 1	5,989,454	5,801,613
Net Position, December 31	<u>\$ 6,379,688</u>	<u>\$ 5,989,454</u>

Governmental Activities

The Prospect Heights Park District's net position increased by \$390,234, the primary reasons was a \$82,295 increase in charges for services compared to the previous year and an increase in tax revenue of \$34,959 compared to the prior year. The decrease in investment income reflects a decrease in interest rates during the fiscal year.

The cost of all governmental activities this year was \$4,286,523. General government expenses, which primarily reflect the support services needed to provide the recreational program and services, accounted for 18% of the total expense. Recreation expenses captured 73% 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, 2011. 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, 2012 and December 31, 2011

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
General Government	\$ 772,549	758,122	\$ 772,549	758,122
Recreation	3,132,503	3,198,631	1,003,759	1,162,728
Interest	381,471	403,407	381,471	403,407
Total Expense	\$ 4,286,523	4,360,160	\$ 2,157,779	2,324,257

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, *unassigned* fund balances may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year. The General, Recreation, Golf, Debt Service and Capital Projects 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 \$1,637,155, an increase of \$224,163 in comparison with the prior year. Roughly 17% of this amount or \$287,223 constitutes *unassigned fund balance* and 32% or \$535,077 of this amount constitutes *assigned fund balance*, which is available for spending at the discretion of the District. The remainder of the fund balance is *restricted* to indicate that it is not available for unrestricted spending. Rather it has been restricted to pay specific items such as debt service, capital projects or specific tax levies.

Revenues

Total revenue for the governmental funds increased \$117,031 to \$4,637,032 for the year ending December 31, 2012. The increase is due to an increase in golf revenue of \$102,414 and an increase in donations of \$6,014.

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 \$4,959,349 compared to \$5,022,125 in 2011. Of the 2012 total, expenditures associated with the General Fund captured 11% of the total and expenditures associated with the Recreation Fund captured 22% of the total and the Golf Fund captured 25% of the total.

General Fund Budgetary Highlights

During the 2012 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. Due to a decrease in expenditures compared to budget of \$155,516, the fund balance at year end was greater than budgeted. At the end of the current fiscal year, the fund balance was \$637,857, compared to the budgeted ending balance of \$479,245. As a measure of the general fund's liquidity, it may be useful to compare *assigned* and *unassigned* fund balances to total fund expenditures and transfers. *Assigned and unassigned* fund balance represents 59% of total general fund expenditures and transfers.

Recreation Fund Highlights

During the 2012 budget year, the Recreation Fund balance decreased by \$60,352, or 29% to \$150,230 compared to the 2011 ending balance of \$210,582. This decrease is due to a decrease of \$202,114 or 44%, in property tax revenue levied into the fund, compared to the prior year, and the separation of the golf operation into the Golf Fund.

Golf Fund Highlights

During the 2012 budget year, the golf operation was separated from the Recreation Fund, creating the Golf Fund. The Golf Fund's revenue over expenditures for 2012 was \$74,078. This balance was transferred to Golf Capital.

Debt Service Fund

During the 2012 budget year, the Debt Service Fund balance increased by \$8,346, to \$22,653, compared to 2011 ending balance of \$14,307. This is due to the increase in property taxes collected to pay off outstanding debt.

Capital Fund Highlights

During the 2012 budget year, the Capital Fund Balance increased by \$176,084 to \$527,293 compared to 2011 ending balance of \$351,209. The change in fund balance is due to the transfer from Golf operations and the decrease in actual expenditures compared to budgeted expenditures.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets, net of accumulated depreciation as of December 31, 2012 was \$14,070,989. This investment in capital assets includes land, buildings, improvements to land and machinery and equipment. There were no major capital projects during 2012.

Table 4
Capital Assets (net of depreciation)
December 31, 2012 and December 31, 2011

	2012	2011
Land	\$ 8,734,667	\$ 8,734,667
Land Improvements	1,668,216	1,958,422
Building	2,750,214	2,769,733
Equipment	651,978	614,965
Vehicles	26,267	40,678
Furniture and Fixtures	8,264	9,062
Bike Path	231,383	270,942
Net Capital Asset:	\$ <u>14,070,989</u>	\$ <u>14,398,469</u>

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 5 on page 20.

Debt Administration

As of December 31, 2012, the Park District has general obligation bond issues outstanding of \$9,283,717. The debt service on the general obligation bonds is paid with property taxes. Currently the District's bonds are unrated. Additional information on the District's long term debt can be found in note 6 beginning on page 21.

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 \$10,951,608. See page 79 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
- Decrease in the Equalized Assessed Value of the property within the district
- The current economic condition of the state
- Low interest earnings rates
- Increase competition from private industry for participation and users

During 2012 the District began implementing a comprehensive long-range master plan. This action should 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 POSITION

December 31, 2012

	Governmental Activities
ASSETS	
Cash and investments	\$ 1,747,004
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	2,541,313
Accounts receivable	2,635
Inventory	47,439
Prepaid expenses	5,538
Capital assets not being depreciated	8,734,667
Capital assets being depreciated (net of accumulated depreciation)	<u>5,336,322</u>
Total assets	<u>18,414,918</u>
DEFERRED OUTFLOWS OF RESOURCES	
None	<u>-</u>
Total deferred outflows of resources	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>18,414,918</u>
LIABILITIES	
Accounts payable	77,315
Accrued payroll	22,891
Accrued interest payable	27,449
Unearned revenue	44,083
Deposits payable	25,804
Noncurrent liabilities	
Due within one year	1,127,670
Due in more than one year	<u>8,173,337</u>
Total liabilities	<u>9,498,549</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue - property taxes	<u>2,536,681</u>
Total deferred inflows of resources	<u>2,536,681</u>
Total liabilities and deferred inflows of resources	<u>12,035,230</u>
NET POSITION	
Invested in capital assets, net of related debt	5,065,849
Restricted for	
Capital projects	475,079
Specific purposes	264,146
Debt service	22,653
Unrestricted	<u>551,961</u>
TOTAL NET POSITION	<u>\$ 6,379,688</u>

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions	
Governmental Activities					Governmental Activities
General government	\$ 772,549	\$ -	\$ -	\$ -	\$ (772,549)
Recreation	3,132,503	2,089,019	-	39,725	(1,003,759)
Interest and fiscal charges	381,471	-	-	-	(381,471)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,286,523	\$ 2,089,019	\$ -	\$ 39,725	(2,157,779)

General Revenues

Taxes	
Property and replacement	2,510,864
Investment income	931
Donations	14,309
Miscellaneous	21,909
	<u>21,909</u>

Total 2,548,013

CHANGE IN NET POSITION 390,234

NET POSITION, JANUARY 1 5,989,454

NET POSITION, DECEMBER 31 \$ 6,379,688

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2012

	General	Recreation	Golf	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
ASSETS							
Cash and investments	\$ 646,572	\$ 224,645	\$ -	\$ 27,573	\$ 520,591	\$ 327,623	\$ 1,747,004
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	1,177,195	250,460	-	549,711	-	563,947	2,541,313
Accounts receivable	38	2,242	-	-	-	355	2,635
Due from other funds	-	-	-	-	8,715	-	8,715
Inventory	-	-	47,439	-	-	-	47,439
Prepaid items	3,984	1,011	420	-	-	123	5,538
Total assets	1,827,789	478,358	47,859	577,284	529,306	892,048	4,352,644
DEFERRED OUTFLOWS OF RESOURCES							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,827,789	\$ 478,358	\$ 47,859	\$ 577,284	\$ 529,306	\$ 892,048	\$ 4,352,644

	General	Recreation	Golf	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 9,253	\$ 17,482	\$ 12,691	\$ 5,950	\$ 2,013	\$ 29,926	\$ 77,315
Accrued payroll	5,679	15,577	1,635	-	-	-	22,891
Deposits payable	-	986	24,818	-	-	-	25,804
Due to other funds	-	-	8,715	-	-	-	8,715
Unearned revenue	-	44,083	-	-	-	-	44,083
Total liabilities	14,932	78,128	47,859	5,950	2,013	29,926	178,808
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	1,175,000	250,000	-	548,681	-	563,000	2,536,681
Total deferred inflows of resources	1,175,000	250,000	-	548,681	-	563,000	2,536,681
Total liabilities and deferred inflows of resources	1,189,932	328,128	47,859	554,631	2,013	592,926	2,715,489
FUND BALANCES							
Nonspendable							
Prepaid items	3,984	1,011	420	-	-	123	5,538
Inventory	-	-	47,439	-	-	-	47,439
Restricted							
Debt service	-	-	-	22,653	-	-	22,653
Capital projects	-	-	-	-	475,079	-	475,079
Special purpose	-	-	-	-	-	264,146	264,146
Assigned							
Community events	-	-	-	-	-	35,471	35,471
Cash reserves	346,032	-	-	-	-	-	346,032
Recreation	-	149,219	(47,859)	-	-	-	101,360
Capital projects	-	-	-	-	52,214	-	52,214
Unassigned	287,841	-	-	-	-	(618)	287,223
Total fund balances	637,857	150,230	-	22,653	527,293	299,122	1,637,155
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,827,789	\$ 478,358	\$ 47,859	\$ 577,284	\$ 529,306	\$ 892,048	\$ 4,352,644

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 POSITION

December 31, 2012

FUND BALANCES OF GOVERNMENTAL FUNDS	\$	1,637,155
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		14,070,989
Accrued interest on long-term liabilities is shown as a liability on the statement of net position		(27,449)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds		
General obligation bonds		(9,324,915)
Discount on general obligation bonds		41,198
Compensated absences		(17,290)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>6,379,688</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, 2012

	General	Recreation	Golf
REVENUES			
Taxes	\$ 1,195,757	\$ 248,344	\$ -
Charges for services	-	772,995	1,308,641
Investment income	931	-	-
Donations	-	3,672	1,311
Miscellaneous	9,642	1,906	6,684
Total revenues	1,206,330	1,026,917	1,316,636
EXPENDITURES			
Current			
General government	546,944	-	-
Recreation	-	1,087,269	1,243,658
Capital outlay	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	546,944	1,087,269	1,243,658
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	659,386	(60,352)	72,978
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	-	-	-
Transfers in	-	-	-
Transfers (out)	(525,303)	-	(74,078)
Insurance proceeds	-	-	1,100
Total other financing sources (uses)	(525,303)	-	(72,978)
NET CHANGE IN FUND BALANCES	134,083	(60,352)	-
FUND BALANCES, JANUARY 1	503,774	210,582	-
FUND BALANCES, DECEMBER 31	\$ 637,857	\$ 150,230	\$ -

Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 555,628	\$ -	\$ 511,135	\$ 2,510,864
-	-	7,383	2,089,019
-	-	-	931
-	-	9,326	14,309
-	25	3,652	21,909
555,628	25	531,496	4,637,032
12,631	-	155,833	715,408
-	-	374,803	2,705,730
-	70,897	34,991	105,888
1,085,841	-	-	1,085,841
346,482	-	-	346,482
1,444,954	70,897	565,627	4,959,349
(889,326)	(70,872)	(34,131)	(322,317)
545,380	-	-	545,380
900,179	246,956	3,230	1,150,365
(547,887)	-	(3,097)	(1,150,365)
-	-	-	1,100
897,672	246,956	133	546,480
8,346	176,084	(33,998)	224,163
14,307	351,209	333,120	1,412,992
\$ 22,653	\$ 527,293	\$ 299,122	\$ 1,637,155

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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 224,163
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	106,008
Depreciation on capital assets is reported as an expense in the statement of activities	(473,213)
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(11,921)
Accrued interest	856
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	(3,123)
Accretion of interest	(32,722)
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	1,085,841
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	(545,380)
Contributions of capital assets are reported as a revenue on the statement of activities	<u>39,725</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 390,234</u>

See accompanying notes to financial statements.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2012

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 Prospect Heights Park District 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 restricted or assigned 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 position 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. 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 Golf Fund is used to account for revenue and expenditures related to Old Orchard Country Club funded by 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. 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 unavailable and unearned revenue on its financial statements. Unavailable 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 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. 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, 2012.

f. 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.

g. Prepaid Expenses/Items

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

h. 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)

h. 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

i. 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.

j. Compensated Absences

Vacation leave is recorded in governmental funds upon employee retirement or termination. Vested or accumulated vacation 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.

k. 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)

1. Net Position/Fund Balances

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the District. Committed fund balance is constrained by formal actions of the District's Board of Commissioners, which is considered the District's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represent amounts constrained by the District's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the District's executive director through the approved fund balance policy of the District. Any residual fund balance in the General Fund is reported as unassigned.

The District's flow of funds assumptions prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the District considers committed funds to be expended first, followed by assigned and then unassigned funds.

The General Fund assigns a portion of fund balance based on the amount of cash reserves held at year end.

The Debt Service and Capital Projects Funds' fund balances are restricted due to the origins of the fund balance.

The remaining funds' restriction of fund balance is based on the origins of fund balance.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the net positions 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. 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.

n. 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).

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District had no deferred outflows of resources in the current year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has only one deferred inflow of resources, unavailable property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

2. DEPOSITS AND INVESTMENTS (Continued)

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.

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 in debt securities at December 31, 2012.

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.

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

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 2012 was passed December 18, 2012;
- Property taxes are due to the County Collector in two installments, March 1 and September 1; and
- Property taxes for 2012 are normally received monthly beginning in March and generally ending by December 2013.

4. FUND BALANCE/NET POSITION

Restricted for Specific Purposes

Restrictions on the fund financial statements and on the government-wide financial statements for specific purposes are detailed below.

RESTRICTED FOR SPECIFIC PURPOSE

Audit	\$	2,314
Paving and lighting		32,415
Liability insurance		62,627
Social security		33,843
Police		13,248
Museum		3,892
Special recreation		115,452
Memorial		355
		<hr/>
TOTAL	\$	<u>264,146</u>

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

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 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	3,285,416	15,553	-	3,300,969
Buildings and improvements	4,643,784	11,500	-	4,655,284
Equipment	1,984,717	118,680	8,079	2,095,318
Vehicles	241,489	-	-	241,489
Furniture and fixtures	621,460	-	-	621,460
Bike path	1,125,636	-	-	1,125,636
Total capital assets being depreciated	11,902,502	145,733	8,079	12,040,156
Less accumulated depreciation for				
Land improvements	1,487,844	144,909	-	1,632,753
Buildings and improvements	1,794,210	110,860	-	1,905,070
Equipment	1,361,661	89,758	8,079	1,443,340
Vehicles	200,811	14,411	-	215,222
Furniture and fixtures	612,398	798	-	613,196
Bike path	781,776	112,477	-	894,253
Total accumulated depreciation	6,238,700	473,213	8,079	6,703,834
Total capital assets being depreciated, net	5,663,802	(327,480)	-	5,336,322
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 14,398,469	\$ (327,480)	\$ -	\$ 14,070,989

*Beginning balances have been reclassified to appropriately classify assets and accumulated depreciation.

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 141,417
Culture and recreation	331,796
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 473,213

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

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt for governmental activities for the year ended December 31, 2012:

	Fund Debt Retired By	Beginning Balances	Additions	Reductions	Ending Balances	Current Portion
GOVERNMENTAL ACTIVITIES						
General obligation bonds	Debt Service	\$ 9,832,654	\$ 578,102*	\$ 1,085,841	\$ 9,324,915	\$ 1,110,380
Discount on bonds	N/A	(44,321)	-	(3,123)	(41,198)	-
Compensated absences	General and Recreation	5,369	17,290	5,369	17,290	17,290
TOTAL GOVERNMENTAL ACTIVITIES		\$ 9,793,702	\$ 595,392	\$ 1,088,087	\$ 9,301,007	\$ 1,127,670

*\$32,722 of the increase in additions represents accretion on the General Obligation Capital Appreciation Bonds, Series 2003.

Long-term debt at December 31, 2012 is comprised of the following:

Bonds

	Total Outstanding	Current Portion
2003 General Obligation Capital Appreciation Bond \$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.	\$ 469,535	\$ 360,000
2005B General Obligation Park Refunding Bonds (Alternate Revenue Source) \$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 semiannually on June 1 and December 1 at 3.50% to 4.05%.	8,310,000	205,000
2012 General Obligation Limited Tax Park Bonds \$545,380 General Obligation Limited Tax Park Bonds, Series 2012, dated November 28, 2012, due in one annual installment of \$545,380 on December 1, 2013 with interest payable at 0.60%.	545,380	545,380
TOTAL BONDS	\$ 9,324,915	\$ 1,110,380

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

6. 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 \$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 \$545,380 in General Obligation Limited Tax Park Bonds, Series 2012, was issued for debt service payments and capital improvements in the District.

Debt Service to Maturity

Years Ending December 31,	General Obligation Refunding Bonds Series 2005B		
	Principal	Interest	Total
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	\$ 8,310,000	\$ 2,619,770	\$ 10,929,770

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

6. LONG-TERM DEBT (Continued)

Debt Service to Maturity (Continued)

Years Ending December 31,	General Obligation Limited Tax Park Bonds Series 2012		
	Principal	Interest	Total
2013	\$ 545,380	\$ 3,272	\$ 548,652
TOTAL	\$ 545,380	\$ 3,272	\$ 548,652

Fiscal Year Ending December 31,	General Obligation Capital Appreciation Bonds Series 2003	
	Accretion	Principal Repayment
2013	\$ 19,523	\$ 360,000
2014	5,942	135,000
TOTAL	\$ 25,465	\$ 495,000

Short-Term Debt

The District maintains a line of credit dated November 29, 2011 with a borrowing limit in the amount of \$500,000. The line of credit matures on August 1, 2013 and bears an interest rate at the prime rate published in the Money Rates section of the Wall Street Journal for such date, but not less than 4.50%. The District did not draw upon this line of credit in 2012 and, therefore, no balance was outstanding at December 31, 2012.

7. INDIVIDUAL FUND DISCLOSURES

a. Interfund Receivables/Payables

Due to/from other funds at December 31, 2012 is as follows:

	Due To	Due From
Golf Fund	\$ 8,715	\$ -
Golf Capital Subfund	-	8,715
TOTAL	\$ 8,715	\$ 8,715

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

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Interfund Transfers

Individual fund interfund transfers are as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 525,303
Golf Fund	-	74,078
Debt Service Fund	900,179	547,887
Capital Projects Fund	246,956	-
Nonmajor Governmental Funds	3,230	3,097
TOTAL	\$ 1,150,365	\$ 1,150,365

The transfers resulted from:

- \$525,303 transferred from the General Fund to the Debt Service 2005B Subfund to cover debt service payments (\$525,170) and to the Memorial Fund (Nonmajor Governmental Fund) (\$133) to cover operating expenditures. The transfers will not be repaid.
- \$14,307 transferred from the Debt Service 2010 Subfund to the Debt Service 2005B Subfund is to transfer remaining fund balance to close the fund. The transfer will not be repaid.
- \$360,702 transferred from the Debt Service 2012 Subfund to the Debt Service 2003 Subfund is an annual transfer to cover debt service payments. The transfer will not be repaid.
- \$172,878 transferred from the Debt Service 2012 Subfund to the Capital Projects Fund is for budgeted capital improvements. The transfer will not be repaid.
- \$74,078 transferred from the Golf Fund to the Capital Projects Fund is for budgeted capital improvements. The transfer will not be repaid.
- \$3,097 transferred from the Museum Fund (Nonmajor Governmental Fund) to the Memorial Fund (Nonmajor Governmental Fund) is an annual transfer to cover operating costs in the memorial fund. The transfer will not be repaid.

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Deficit Fund Balance

The Illinois Municipal Retirement Fund had a deficit fund balance of \$618 at December 31, 2012.

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 2012 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 60008.

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.

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, 2012 through January 1, 2013:

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
Property, building and contents	\$ 1,000		\$1,000,000,000 per occurrence	PDRMA reinsurers	P070110
All losses per occurrence		\$ 1,000,000			
All losses aggregate		\$ 3,000,000			
Flood/except Zones A&V	\$ 1,000	\$ 100,000	\$250,000,000 per occurrence		
Flood, Zones A&V	\$ 1,000	\$ 1,000,000	\$200,000,000 per occurrence		
Earthquake shock	\$ 1,000	\$ 100,000	\$100,000,000 per occurrence		
Auto physical damage comprehensive & collision	\$ 1,000	\$ 1,000,000	\$1,000,000,000 per occurrence		P070110
Course of construction/builders risk	\$ 1,000	N/A	\$25,000,000		
Business interruption	\$ 1,000	N/A	\$100,000,000 business income and extra expense; other sub-limits apply, refer to policy	Coverage Document	P070110
Service interruption	24 hours	N/A	\$25,000,000 business income and extra expense; other sub-limits apply, refer to policy	Coverage Document	P070110
Boiler and machinery property damage	\$ 1,000	\$ 9,000	\$100,000,000 equipment breakdown	Travelers Indemnity Co. of Illinois	BME1 0525L478
Fidelity and crime	\$ 1,000	\$ 24,000	\$2,000,000	National Union	01-436-32-39
Seasonal employees	\$ 1,000	\$ 9,000	\$1,000,000	Fire Insurance Co.	
Blanket bond	\$ 1,000	\$ 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.	WC01012 GEM-0003- A11001 SP-4045626
General liability	None	\$ 500,000	\$21,500,000 per occurrence	PDRMA Government Entities Mutual Everest Reinsurance Co.	L010112 GEM-0003- A11001
Auto liability	None	Included	Included	Entities Mutual	
Uninsured/Underinsured motorists	None	Included	\$1,000,000 per occurrence	Starr Indemnity and Liability Co.	8090010
Public officials' liability	None	Included	Annual aggregate per member	Starr Indemnity and Liability Co.	8090010
Employment practices	None	Included	\$21,500,000 per occurrence	Markel	L010111 GEM-0003- A11001
Law enforcement liability	None	Included	Included	Starr Indemnity and Liability Co.	8090010

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
Pollution liability					
Liability - third party	None	\$ 25,000	\$5,000,000 per occurrence	XL Environmental Insurance	PEC 2535804
Property - first party	\$ 1,000	\$ 24,000	\$30,000,000 3 yr. general aggregate		
Outbreak expense	24 hours	N/A	\$15,000 per day \$450,000 per location \$1 million aggregate policy limit	Markel	
Volunteer medical accident	None	\$ 5,000	\$5,000 medical expenses and AD&D excess of any other collectible insurance	Self-insured	
Underground storage tank liability	None	N/A	\$10,000, follows Illinois Leaking Underground Tank Fund	Self-insured	
Unemployment compensation	N/A	N/A	Statutory	Self-funded	

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.

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 PDRMA can be obtained from PDRMA's administration offices at 2033 Burlington Avenue, Lisle, Illinois 60532.

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

9. RISK MANAGEMENT (Continued)

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 has evaluated its potential other postemployment benefits liability. The District provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. However, no former employees have chosen to stay in the District's health insurance plan. Therefore, there has been 0% utilization and, therefore, 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 and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of December 31, 2012.

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. Participating members are required to contribute 4.5% of their annual salary to IMRF. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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.

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 2012 was 10.24% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

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

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

For December 31, 2012, the District's annual pension cost of \$114,582 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2010 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 and direct investment expenses), (b) projected salary increases of 4.00% a year, attributed to inflation, (c) projected salary increases ranging from 0.4% to 10.0% per year depending on age and service attributable to seniority/merit and (d) postretirement benefits increases of 3% annually. 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 with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

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
2010	\$ 108,887	100.00%	\$ -
2011	121,089	100.00%	-
2012	114,582	100.00%	-

The funded status of the plan as of December 31, 2012, 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)	\$ 2,512,021
Actuarial value of plan assets	2,927,293
Unfunded actuarial accrued liability (UAAL)	415,272
Funded ratio (actuarial value of plan assets/AAL)	85.81%
Covered payroll (active plan members)	\$ 1,118,962
UAAL as a percentage of covered payroll	37.11%

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

11. RETIREMENT FUND COMMITMENTS (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

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, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 1,175,820	\$ 1,184,371	\$ 8,551
Replacement taxes	13,000	11,386	(1,614)
Investment income	8,000	931	(7,069)
Miscellaneous	4,000	9,642	5,642
Total revenues	<u>1,200,820</u>	<u>1,206,330</u>	<u>5,510</u>
EXPENDITURES			
Current			
General government			
Salaries and wages	397,657	379,394	(18,263)
Employee benefits	91,108	61,598	(29,510)
Contractual services	161,475	69,229	(92,246)
Commodities	49,220	36,723	(12,497)
Debt service			
Interest and fiscal charges	3,000	-	(3,000)
Total expenditures	<u>702,460</u>	<u>546,944</u>	<u>(155,516)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>498,360</u>	<u>659,386</u>	<u>161,026</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(522,889)	(525,303)	(2,414)
Total other financing sources (uses)	<u>(522,889)</u>	<u>(525,303)</u>	<u>(2,414)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,529)</u>	134,083	<u>\$ 158,612</u>
FUND BALANCE, JANUARY 1		<u>503,774</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 637,857</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
RECREATION FUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 250,000	\$ 248,344	\$ (1,656)
Charges for services			
Program fees	676,171	658,111	(18,060)
Pool fees	75,790	78,321	2,531
GMRC rentals	36,950	36,563	(387)
Donations	4,300	3,672	(628)
Miscellaneous	2,325	1,906	(419)
Total revenues	1,045,536	1,026,917	(18,619)
EXPENDITURES			
Current			
Recreation			
Salaries and wages	605,693	646,086	40,393
Employee benefits	59,036	42,365	(16,671)
Contractual services	214,472	178,398	(36,074)
Commodities	189,519	220,420	30,901
Total expenditures	1,068,720	1,087,269	18,549
NET CHANGE IN FUND BALANCE	\$ (23,184)	(60,352)	\$ (37,168)
FUND BALANCE, JANUARY 1		<u>210,582</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 150,230</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
GOLF FUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Charges for services			
Golf fees	\$ 1,114,954	\$ 1,174,962	\$ 60,008
Pro shop fees	100,400	133,679	33,279
Donations	6,000	1,311	(4,689)
Miscellaneous	16,500	6,684	(9,816)
Total revenues	1,237,854	1,316,636	78,782
EXPENDITURES			
Current			
Recreation			
Salaries and wages	482,266	483,979	1,713
Employee benefits	110,279	98,879	(11,400)
Contractual services	385,439	370,728	(14,711)
Commodities	269,800	290,072	20,272
Total expenditures	1,247,784	1,243,658	(4,126)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,930)	72,978	82,908
OTHER FINANCING SOURCES (USES)			
Transfers in	9,930	-	(9,930)
Transfers (out)	-	(74,078)	(74,078)
Insurance proceeds	-	1,100	1,100
Total other financing sources (uses)	9,930	(72,978)	(82,908)
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 EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2012

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2007	\$ 104,351	\$ 104,351	100.00%
2008	93,070	93,070	100.00%
2009	97,653	97,653	100.00%
2010	108,887	108,887	100.00%
2011	121,089	121,089	100.00%
2012	114,582	114,582	100.00%

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
 PROSPECT HEIGHTS, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2012

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued 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)
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	1,955,589	2,359,142	82.89%	403,553	1,085,037	37.19%
2010	2,120,677	2,526,320	83.94%	405,643	1,140,183	35.58%
2011	2,358,046	2,807,391	83.99%	449,345	1,156,533	38.85%
2012	2,512,021	2,927,293	85.81%	415,272	1,118,962	37.11%

(See independent auditor's report.)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2012

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, 2012. 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 appropriated for all funds except for the Community Events Fund and Capital Golf Subfund.

	Expenditures	Operating Budget	Appropriation
Community Events Fund	\$ 12,606	\$ 10,400	\$ 12,480
Illinois Municipal Retirement Fund	114,581	103,000	123,600
Social Security Fund	118,580	117,002	140,402
Capital Golf Subfund	30,375	9,800	11,760
Bond and Interest Series 2011 Subfund	532,975	532,700	639,240
Bond and Interest Series 2005B Subfund	539,477	539,200	647,040
Recreation Fund	1,087,269	1,068,720	1,282,463

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

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.

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets financed from the District's general obligation issues, donations, developer contributions, interest income and other specific revenues.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMBINING BALANCE SHEET BY SUBFUND
DEBT SERVICE FUND

December 31, 2012

	Bond and Interest 2003	Bond and Interest 2005B	Bond and Interest 2010	Bond and Interest 2011	Bond and Interest 2012	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash and investments	\$ -	\$ 200	\$ -	\$ 21,623	\$ 5,750	\$ 27,573
Property taxes receivable	-	-	-	1,030	548,681	549,711
Total assets	-	200	-	22,653	554,431	577,284
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ 200	\$ -	\$ 22,653	\$ 554,431	\$ 577,284
LIABILITIES						
Accounts payable	\$ -	\$ 200	\$ -	\$ -	\$ 5,750	\$ 5,950
Total liabilities	-	200	-	-	5,750	5,950
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	-	-	548,681	548,681
Total deferred inflows of resources	-	-	-	-	548,681	548,681
Total liabilities and deferred inflows of resources	-	200	-	-	554,431	554,631
FUND BALANCES						
Restricted						
Debt service	-	-	-	22,653	-	22,653
Total fund balances	-	-	-	22,653	-	22,653
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 200	\$ -	\$ 22,653	\$ 554,431	\$ 577,284

(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, 2012

	Bond and Interest 2003	Bond and Interest 2005B	Bond and Interest 2010	Bond and Interest 2011	Bond and Interest 2012	Total
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 555,628	\$ -	\$ 555,628
Total revenues	-	-	-	555,628	-	555,628
EXPENDITURES						
General government	277	277	-	277	11,800	12,631
Debt service						
Principal retirement	360,000	205,000	-	520,841	-	1,085,841
Interest and fiscal charges	425	334,200	-	11,857	-	346,482
Total expenditures	360,702	539,477	-	532,975	11,800	1,444,954
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(360,702)	(539,477)	-	22,653	(11,800)	(889,326)
OTHER FINANCING SOURCES (USES)						
Bonds issued, at par	-	-	-	-	545,380	545,380
Transfers in	360,702	539,477	-	-	-	900,179
Transfers (out)	-	-	(14,307)	-	(533,580)	(547,887)
Total other financing sources (uses)	360,702	539,477	(14,307)	-	11,800	897,672
NET CHANGE IN FUND BALANCES	-	-	(14,307)	22,653	-	8,346
FUND BALANCES, JANUARY 1	-	-	14,307	-	-	14,307
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ 22,653	\$ -	\$ 22,653

(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, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
General government			
Contractual services	679	277	(402)
Debt service			
Principal retirement	360,000	360,000	-
Interest and fiscal charges	425	425	-
Total expenditures	361,104	360,702	(402)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(361,104)	(360,702)	402
OTHER FINANCING SOURCES (USES)			
Transfers in	361,104	360,702	(402)
Total other financing sources (uses)	361,104	360,702	(402)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	-	<u>\$ -</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
BOND AND INTEREST SERIES 2005B SUBFUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
General government			
Contractual services	-	277	277
Debt service			
Principal retirement	205,000	205,000	-
Interest and fiscal charges	334,200	334,200	-
Total expenditures	539,200	539,477	277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(539,200)	(539,477)	(277)
OTHER FINANCING SOURCES (USES)			
Transfers in	539,200	539,477	277
Total other financing sources (uses)	539,200	539,477	277
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 2010 SUBFUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(26,241)	(14,307)	11,934
Total other financing sources (uses)	(26,241)	(14,307)	11,934
NET CHANGE IN FUND BALANCE	<u>\$ (26,241)</u>	<u>(14,307)</u>	<u>\$ 11,934</u>
FUND BALANCE, JANUARY 1		<u>14,307</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
BOND AND INTEREST SERIES 2011 SUBFUND

For the Year Ended December 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
REVENUES			
Property taxes	\$ 532,700	\$ 555,628	\$ 22,928
Total revenues	<u>532,700</u>	<u>555,628</u>	<u>22,928</u>
EXPENDITURES			
General government			
Contractual services	-	277	277
Debt Service			
Principal retirement	520,843	520,841	(2)
Interest and fiscal charges	11,857	11,857	-
Total expenditures	<u>532,700</u>	<u>532,975</u>	<u>275</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>22,653</u></u>	<u><u>\$ 22,653</u></u>
FUND BALANCE, JANUARY 1		<u>-</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 22,653</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
BOND AND INTEREST SERIES 2012 SUBFUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
General government			
Contractual services	12,750	11,800	(950)
Total expenditures	12,750	11,800	(950)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,750)	(11,800)	950
OTHER FINANCING SOURCES (USES)			
Bonds issued, at par	532,701	545,380	12,679
Transfers (out)	(519,951)	(533,580)	(13,629)
Total other financing sources (uses)	12,750	11,800	(950)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	-	<u>\$ -</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

COMBINING BALANCE SHEET BY SUBFUND
CAPITAL PROJECTS FUND

December 31, 2012

	Capital Projects	Capital Golf	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and investments	\$ 477,092	\$ 43,499	\$ 520,591
Due from other funds	-	8,715	8,715
Total assets	477,092	52,214	529,306
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
	\$ 477,092	\$ 52,214	\$ 529,306
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 2,013	\$ -	\$ 2,013
Total liabilities	2,013	-	2,013
DEFERRED INFLOWS OF RESOURCES			
None	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	2,013	-	2,013
FUND BALANCES			
Restricted			
Capital projects	475,079	-	475,079
Assigned			
Capital projects	-	52,214	52,214
Total fund balances	475,079	52,214	527,293
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
	\$ 477,092	\$ 52,214	\$ 529,306

(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, 2012

	Capital Projects	Capital Golf	Total
REVENUES			
Miscellaneous	\$ 25	\$ -	\$ 25
Total revenues	25	-	25
EXPENDITURES			
General government			
Contractual services	346	-	346
Capital outlay			
Building improvements	24,954	-	24,954
Capital improvements	6,229	30,375	36,604
Capital purchases	6,554	-	6,554
Equipment purchases	2,439	-	2,439
Total expenditures	40,522	30,375	70,897
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,497)	(30,375)	(70,872)
OTHER FINANCING SOURCES (USES)			
Transfers in	172,878	74,078	246,956
Total other financing sources (uses)	172,878	74,078	246,956
NET CHANGE IN FUND BALANCES	132,381	43,703	176,084
FUND BALANCES, JANUARY 1	342,698	8,511	351,209
FUND BALANCES, DECEMBER 31	\$ 475,079	\$ 52,214	\$ 527,293

(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, 2012

	Original and Final Budget	Actual	Variance Over (Under)
<hr/>			
REVENUES			
Miscellaneous	\$ -	\$ 25	\$ 25
Total revenues	<u>-</u>	<u>25</u>	<u>25</u>
EXPENDITURES			
General government			
Contractual services	5,000	346	(4,654)
Capital outlay			
Building improvements	45,000	24,954	(20,046)
Capital improvements	13,000	6,229	(6,771)
Land improvements	92,000	-	(92,000)
Capital purchases	44,500	6,554	(37,946)
Equipment purchases	8,600	2,439	(6,161)
Total expenditures	<u>208,100</u>	<u>40,522</u>	<u>(167,578)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(208,100)</u>	<u>(40,497)</u>	<u>167,603</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>158,847</u>	<u>172,878</u>	<u>14,031</u>
NET CHANGE IN FUND BALANCE	<u>\$ (49,253)</u>	<u>132,381</u>	<u>\$ 181,634</u>
FUND BALANCE, JANUARY 1		<u>342,698</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 475,079</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, 2012

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Capital improvements	9,800	30,375	20,575
Total expenditures	9,800	30,375	20,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,800)	(30,375)	(20,575)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	74,078	74,078
NET CHANGE IN FUND BALANCE	\$ (9,800)	43,703	\$ 53,503
FUND BALANCE, JANUARY 1		8,511	
FUND BALANCE, DECEMBER 31		\$ 52,214	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for proceeds from specific revenue sources that are restricted or committed to expenditures for specified purposes other than Debt Service or Capital Projects Funds.

Audit Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the annual audit of the District.

Paving and Lighting Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for outside lighting and paving projects.

Liability Insurance Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the liability insurance expenditures of the District.

Social Security Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the District's share of social security contributions.

Illinois Municipal Retirement Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for employer contributions, which are fixed by law and subsequently paid to the state-sponsored Illinois Municipal Retirement Fund.

Police Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for policing the District's parks and facilities.

Museum Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies for the maintenance and operations of the museum.

Special Recreation Fund - to account for revenues derived from a specific annual property tax levy and expenditures of these monies to the Northwest Special Recreation Association to provide special recreation programs for the physically and mentally handicapped.

Memorial Fund - to account for expenditures for the Aviary.

Community Events Fund - to account for the revenues and expenditures associated with the community events planned throughout the year.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2012

	Special Revenue			
	Audit	Paving and Lighting	Liability Insurance	Social Security
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash	\$ 2,291	\$ 32,413	\$ 81,351	\$ 33,613
Property taxes receivable (net, where applicable, of allowances for uncollectibles)	11,523	19,035	78,184	112,230
Accounts receivable	-	-	-	-
Prepaid items	-	-	-	-
Total assets	13,814	51,448	159,535	145,843
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 13,814	\$ 51,448	\$ 159,535	\$ 145,843
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 33	\$ 18,908	\$ -
Total liabilities	-	33	18,908	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	11,500	19,000	78,000	112,000
Total deferred inflows of resources	11,500	19,000	78,000	112,000
Total liabilities and deferred inflows or resources	11,500	19,033	96,908	112,000
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	-	-
Restricted				
Special purpose	2,314	32,415	62,627	33,843
Assigned				
Community events	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	2,314	32,415	62,627	33,843
TOTAL LIABILITIES, DEFERRED AND INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,814	\$ 51,448	\$ 159,535	\$ 145,843

Special Revenue							
Illinois Municipal Retirement	Police	Museum	Special Recreation	Memorial	Community Events	Total	
\$ 9,121	\$ 13,488	\$ 3,868	\$ 116,007	\$ -	\$ 35,471	\$ 327,623	
125,221	57,092	10,524	150,138	-	-	563,947	
-	-	-	-	355	-	355	
-	123	-	-	-	-	123	
134,342	70,703	14,392	266,145	355	35,471	892,048	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
\$ 134,342	\$ 70,703	\$ 14,392	\$ 266,145	\$ 355	\$ 35,471	\$ 892,048	
\$ 9,960	\$ 332	\$ -	\$ 693	\$ -	\$ -	\$ 29,926	
9,960	332	-	693	-	-	29,926	
125,000	57,000	10,500	150,000	-	-	563,000	
125,000	57,000	10,500	150,000	-	-	563,000	
134,960	57,332	10,500	150,693	-	-	592,926	
-	123	-	-	-	-	123	
-	13,248	3,892	115,452	355	-	264,146	
-	-	-	-	-	35,471	35,471	
(618)	-	-	-	-	-	(618)	
(618)	13,371	3,892	115,452	355	35,471	299,122	
\$ 134,342	\$ 70,703	\$ 14,392	\$ 266,145	\$ 355	\$ 35,471	\$ 892,048	

(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, 2012

	Special Revenue			
	Audit	Paving and Lighting	Liability Insurance	Social Security
REVENUES				
Property taxes	\$ 12,416	\$ 18,920	\$ 99,338	\$ 124,172
Charges for services	-	-	-	-
Donations	-	-	-	-
Miscellaneous	-	-	3,613	-
Total revenues	12,416	18,920	102,951	124,172
EXPENDITURES				
Current				
General government	12,182	2,744	60,744	23,716
Recreation	-	-	31,499	94,864
Capital outlay	-	-	-	-
Total expenditures	12,182	2,744	92,243	118,580
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	234	16,176	10,708	5,592
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	234	16,176	10,708	5,592
FUND BALANCES (DEFICIT), JANUARY 1	2,080	16,239	51,919	28,251
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 2,314	\$ 32,415	\$ 62,627	\$ 33,843

Special Revenue							
Illinois Municipal Retirement	Police	Museum	Special Recreation	Memorial	Community Events	Total	
\$ 119,205	\$ 49,668	\$ 12,914	\$ 74,502	\$ -	\$ -	\$ 511,135	
-	-	-	-	-	7,383	7,383	
-	-	-	-	1,330	7,996	9,326	
-	-	-	-	-	39	3,652	
119,205	49,668	12,914	74,502	1,330	15,418	531,496	
22,916	33,531	-	-	-	-	155,833	
91,665	22,356	7,000	110,386	4,427	12,606	374,803	
-	-	-	34,991	-	-	34,991	
114,581	55,887	7,000	145,377	4,427	12,606	565,627	
4,624	(6,219)	5,914	(70,875)	(3,097)	2,812	(34,131)	
-	-	-	-	3,230	-	3,230	
-	-	(3,097)	-	-	-	(3,097)	
-	-	(3,097)	-	3,230	-	133	
4,624	(6,219)	2,817	(70,875)	133	2,812	(33,998)	
(5,242)	19,590	1,075	186,327	222	32,659	333,120	
\$ (618)	\$ 13,371	\$ 3,892	\$ 115,452	\$ 355	\$ 35,471	\$ 299,122	

(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, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 12,500	\$ 12,416	\$ (84)
Total revenues	<u>12,500</u>	<u>12,416</u>	<u>(84)</u>
EXPENDITURES			
Current			
General government			
Audit fees	12,184	12,182	(2)
Total expenditures	<u>12,184</u>	<u>12,182</u>	<u>(2)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 316</u></u>	234	<u><u>\$ (82)</u></u>
FUND BALANCE, JANUARY 1		<u>2,080</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 2,314</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
PAVING AND LIGHTING FUND

For the Year Ended December 31, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 25,000	\$ 18,920	\$ (6,080)
Total revenues	<u>25,000</u>	<u>18,920</u>	<u>(6,080)</u>
EXPENDITURES			
Current			
General government			
Contractual services	3,500	2,744	(756)
Commodities	15,000	-	(15,000)
Capital outlay	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
Total expenditures	<u>34,500</u>	<u>2,744</u>	<u>(31,756)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (9,500)</u></u>	16,176	<u><u>\$ 25,676</u></u>
FUND BALANCE, JANUARY 1		<u>16,239</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 32,415</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
LIABILITY INSURANCE FUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 100,000	\$ 99,338	\$ (662)
Miscellaneous	1,500	3,613	2,113
Total revenues	<u>101,500</u>	<u>102,951</u>	<u>1,451</u>
EXPENDITURES			
Current			
General government			
Salaries and wages	10,000	10,000	-
Contractual services			
Liability insurance	25,142	25,142	-
Workmens' compensation	20,236	20,236	-
Unemployment compensation	4,200	1,870	(2,330)
Legal settlements and claims	8,000	2,555	(5,445)
Physicals and training	3,750	926	(2,824)
Safety incentive	1,500	15	(1,485)
Recreation			
Contractual services			
Liability insurance	16,762	16,762	-
Workmens' compensation	13,491	13,491	-
Unemployment compensation	2,800	1,246	(1,554)
Total expenditures	<u>105,881</u>	<u>92,243</u>	<u>(13,638)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,381)</u>	10,708	<u>\$ 15,089</u>
FUND BALANCE, JANUARY 1		<u>51,919</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 62,627</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, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 125,000	\$ 124,172	\$ (828)
Total revenues	<u>125,000</u>	<u>124,172</u>	<u>(828)</u>
EXPENDITURES			
Current			
General government			
Social security contributions	23,400	23,716	316
Recreation			
Social security contributions	<u>93,602</u>	<u>94,864</u>	<u>1,262</u>
Total expenditures	<u>117,002</u>	<u>118,580</u>	<u>1,578</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 7,998</u></u>	<u>5,592</u>	<u><u>\$ (2,406)</u></u>
FUND BALANCE, JANUARY 1		<u>28,251</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 33,843</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, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 120,000	\$ 119,205	\$ (795)
Total revenues	<u>120,000</u>	<u>119,205</u>	<u>(795)</u>
EXPENDITURES			
Current			
General government			
IMRF contributions	20,600	22,916	2,316
Recreation			
IMRF contributions	<u>82,400</u>	<u>91,665</u>	<u>9,265</u>
Total expenditures	<u>103,000</u>	<u>114,581</u>	<u>11,581</u>
NET CHANGE IN FUND BALANCE	<u>\$ 17,000</u>	4,624	<u>\$ (12,376)</u>
FUND BALANCE (DEFICIT), JANUARY 1		<u>(5,242)</u>	
FUND BALANCE (DEFICIT), DECEMBER 31		<u>\$ (618)</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, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 50,000	\$ 49,668	\$ (332)
Total revenues	<u>50,000</u>	<u>49,668</u>	<u>(332)</u>
EXPENDITURES			
Current			
General government			
Contractual services	13,680	13,236	(444)
Salaries and wages	20,295	20,295	-
Recreation			
Contractual services	9,120	8,826	(294)
Salaries and wages	13,530	13,530	-
Total expenditures	<u>56,625</u>	<u>55,887</u>	<u>(738)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (6,625)</u>	(6,219)	<u>\$ 406</u>
FUND BALANCE, JANUARY 1		<u>19,590</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 13,371</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, 2012

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
REVENUES			
Property taxes	\$ 13,000	\$ 12,914	\$ (86)
Total revenues	<u>13,000</u>	<u>12,914</u>	<u>(86)</u>
EXPENDITURES			
Current			
Recreation			
Salaries and wages	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,000</u>	<u>5,914</u>	<u>(86)</u>
OTHER FINANCING (USES)			
Transfers (out)	<u>(4,350)</u>	<u>(3,097)</u>	<u>1,253</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 1,650</u></u>	<u>2,817</u>	<u><u>\$ 1,167</u></u>
FUND BALANCE, JANUARY 1		<u>1,075</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 3,892</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
SPECIAL RECREATION FUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Property taxes	\$ 75,000	\$ 74,502	\$ (498)
Total revenues	75,000	74,502	(498)
EXPENDITURES			
Current			
Recreation			
Annual contribution to Northwest Special Recreation Association	84,439	84,439	-
Facility usage	23,522	23,522	-
Repair parts	500	-	(500)
Americans with Disability Act compliance purchases	5,000	2,425	(2,575)
Capital outlay	75,000	34,991	(40,009)
Total expenditures	188,461	145,377	(43,084)
NET CHANGE IN FUND BALANCE	\$ (113,461)	(70,875)	\$ 42,586
FUND BALANCE, JANUARY 1		186,327	
FUND BALANCE, DECEMBER 31		\$ 115,452	

(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, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Donations	\$ 1,000	\$ 1,330	\$ 330
Total revenues	<u>1,000</u>	<u>1,330</u>	<u>330</u>
EXPENDITURES			
Current			
Recreation			
Salaries and wages	3,000	3,000	-
Commodities	750	527	(223)
Contractual services	1,600	900	(700)
Total expenditures	<u>5,350</u>	<u>4,427</u>	<u>(923)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,350)	(3,097)	1,253
OTHER FINANCING SOURCES (USES)			
Transfers in	4,350	3,230	(1,120)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>133</u>	<u>\$ 133</u>
FUND BALANCE, JANUARY 1		<u>222</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 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
COMMUNITY EVENTS FUND

For the Year Ended December 31, 2012

	Original and Final Budget	Actual	Variance Over (Under) Budget
REVENUES			
Donations	\$ 2,600	\$ 7,996	\$ 5,396
Summer Fest	11,400	7,383	(4,017)
Miscellaneous	-	39	39
Total revenues	<u>14,000</u>	<u>15,418</u>	<u>1,418</u>
EXPENDITURES			
Current			
Recreation			
Commodities	900	1,023	123
Contractual services	9,500	11,583	2,083
Total expenditures	<u>10,400</u>	<u>12,606</u>	<u>2,206</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 3,600</u></u>	2,812	<u><u>\$ (788)</u></u>
FUND BALANCE, JANUARY 1		<u>32,659</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 35,471</u></u>	

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Prospect Heights Park District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have been changed over time.	64-71
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	72-75
Debt Capacity The schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	76-79
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	80-81
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	82-84

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The District implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

NET POSITION

Last Nine Fiscal Years
(accrual basis of accounting)

Fiscal Year	2004	2005	2006	2007
GOVERNMENTAL ACTIVITIES				
Invested in capital assets net of related debt	\$ (1,932,173)	\$ (1,755,279)	\$ 4,033,242	\$ 4,322,288
Restricted*	-	-	-	-
Unrestricted**	3,181,938	5,359,979	3,304,780	3,031,074
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,249,765	\$ 3,604,700	\$ 7,338,022	\$ 7,353,362

* Prior to 2009, net positions of special levy funds were reported as unrestricted.

** In 2009, the District changed its accounting policy for property tax revenue recognition on the accrual basis of accounting to report property tax revenues in the year intended to finance.

Note: The District implemented GASB Statement No. 34 for the year ended December 31, 2004.

Data Source

Audited Financial Statements

2008	2009	2010	2011	2012
\$ 4,353,009	\$ 4,524,168	\$ 4,761,536	\$ 4,831,553	\$ 5,065,849
-	675,105	711,778	671,102	761,878
3,651,059	249,431	328,299	486,799	551,961
\$ 8,004,068	\$ 5,448,704	\$ 5,801,613	\$ 5,989,454	\$ 6,379,688

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

CHANGE IN NET POSITION

Last Nine Fiscal Years
(accrual basis of accounting)

Fiscal Year	2004	2005	2006
EXPENSES			
Governmental activities			
General government	\$ -	\$ -	\$ -
Recreation	3,148,327	3,501,707	3,642,573
Interest and fiscal charges	775,378	385,401	422,067
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 3,923,705	\$ 3,887,108	\$ 4,064,640
PROGRAM REVENUES			
Governmental activities			
Charges for services			
General government	\$ -	\$ -	\$ -
Recreation	1,997,461	1,970,108	2,047,096
Operating grants	-	-	-
Capital grants and contributions	-	-	-
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 1,997,461	\$ 1,970,108	\$ 2,047,096
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (1,926,244)	\$ (1,917,000)	\$ (2,017,544)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities			
Taxes	\$ 1,969,593	\$ 2,025,924	\$ 1,809,969
Investment earnings	18,522	20,257	90,541
Donations	-	-	-
Miscellaneous	41,560	326,455	-
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 103,431	\$ 455,636	\$ (117,034)

* District began reporting General Government Function

Note: The District implemented GASB Statement No. 34 for the year ended December 31, 2004.

Data Source

Audited Financial Statements

2007	2008	2009*	2010	2011	2012
\$ -	\$ -	\$ 595,945	\$ 730,757	\$ 758,121	\$ 772,549
3,850,321	3,825,645	3,171,928	3,213,078	3,198,631	3,132,503
410,771	400,355	467,221	415,642	403,407	381,471
<u>\$ 4,261,092</u>	<u>\$ 4,226,000</u>	<u>\$ 4,235,094</u>	<u>\$ 4,359,477</u>	<u>\$ 4,360,159</u>	<u>\$ 4,286,523</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,031,617	2,115,100	2,040,325	2,065,553	2,006,724	2,089,019
-	-	-	-	1,179	-
-	-	90,050	198,300	28,000	39,725
<u>\$ 2,031,617</u>	<u>\$ 2,115,100</u>	<u>\$ 2,130,375</u>	<u>\$ 2,263,853</u>	<u>\$ 2,035,903</u>	<u>\$ 2,128,744</u>
<u>\$ (2,229,475)</u>	<u>\$ (2,110,900)</u>	<u>\$ (2,104,719)</u>	<u>\$ (2,095,624)</u>	<u>\$ (2,324,256)</u>	<u>\$ (2,157,779)</u>
\$ 2,203,119	\$ 2,749,176	\$ 2,421,983	\$ 2,415,270	\$ 2,475,875	\$ 2,510,864
41,696	12,430	9,818	5,362	7,259	931
-	-	7,026	1,723	8,295	14,309
-	-	42,372	26,178	20,670	21,909
<u>2,244,815</u>	<u>2,761,606</u>	<u>2,481,199</u>	<u>2,448,533</u>	<u>2,512,099</u>	<u>2,548,013</u>
<u>\$ 15,340</u>	<u>\$ 650,706</u>	<u>\$ 376,480</u>	<u>\$ 352,909</u>	<u>\$ 187,843</u>	<u>\$ 390,234</u>

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	2003*	2004	2005**	2006
GENERAL FUND				
Nonspendable				
Prepaid items	\$ -	\$ 4,458	\$ -	\$ -
Assigned				
Cash reserve	-	-	167,553	223,452
Unassigned	(6,066)	(72,838)	90,019	138,333
TOTAL GENERAL FUND	\$ (6,066)	\$ (68,380)	\$ 257,572	\$ 361,785
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable				
Inventory	\$ 72,770	\$ 45,684	\$ 28,273	\$ 58,513
Prepaid items	1,500	8,536	6,450	-
Restricted				
Debt service*	827,411	14,148	20,035	251
Specific purposes	69,032	93,849	107,226	137,003
Capital projects**	575,385	276,550	2,338,685	699,929
Assigned				
Community events	33,603	38,168	38,361	36,094
Recreation	-	-	-	-
Capital projects	-	-	-	-
Unassigned				
Recreation	(154,775)	(164,486)	(235,585)	(361,187)
Audit	(14,320)	-	-	-
Paving and lighting	(4,524)	-	-	-
Liability insurance	(12,952)	-	-	-
IMRF and social security	-	-	-	-
Police	(24,803)	-	-	-
Museum	(14,843)	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 1,353,484	\$ 312,449	\$ 2,303,445	\$ 570,603
TOTAL GOVERNMENTAL FUND BALANCES	\$ 1,347,418	\$ 244,069	\$ 2,561,017	\$ 932,388

*The increase in the debt service fund balance for 2003 was related to the source of General Obligation Bond Series 2003

**The increase in the capital projects fund balance for 2005 was related to the issuance of General Obligation Bond Series 2005B

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ 9,785	\$ 11,564	\$ 3,118	\$ 4,234	\$ 2,979	\$ 3,984
291,357	337,703	342,518	344,092	345,685	346,032
234,769	174,460	253,317	237,187	155,110	287,841
<u>\$ 535,911</u>	<u>\$ 523,727</u>	<u>\$ 598,953</u>	<u>\$ 585,513</u>	<u>\$ 503,774</u>	<u>\$ 637,857</u>
\$ 70,283	\$ 94,688	\$ 61,470	\$ 54,303	\$ 56,135	\$ 47,439
26,686	9,753	19,875	5,321	10,902	1,554
17,597	-	17,173	12,838	14,307	22,653
169,084	224,907	272,107	321,486	305,587	264,146
315,115	370,604	385,400	377,029	351,209	475,079
36,307	39,798	44,107	36,545	32,660	35,471
-	-	-	-	143,662	101,360
-	-	-	-	-	52,214
(464,229)	(379,818)	(197,238)	(37,242)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(5,242)	(618)
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 170,843</u>	<u>\$ 359,932</u>	<u>\$ 602,894</u>	<u>\$ 770,280</u>	<u>\$ 909,220</u>	<u>\$ 999,298</u>
<u>\$ 706,754</u>	<u>\$ 883,659</u>	<u>\$ 1,201,847</u>	<u>\$ 1,355,793</u>	<u>\$ 1,412,994</u>	<u>\$ 1,637,155</u>

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	2003	2004	2005	2006
REVENUES				
Taxes	\$ 1,792,571	\$ 1,961,345	\$ 2,150,454	\$ 2,196,761
Other taxes	7,369	8,248	11,338	12,170
Charges for services	2,007,205	1,997,461	1,970,108	2,018,053
Investment income	11,733	18,522	20,257	90,541
Donations	-	-	-	-
Grant revenue	500,000	-	-	-
Miscellaneous	189,302	41,560	326,455	29,043
Total revenues	<u>4,508,180</u>	<u>4,027,136</u>	<u>4,478,612</u>	<u>4,346,568</u>
EXPENDITURES				
General government	578,885	634,669	913,948	912,960
Recreation	2,218,876	2,251,363	2,319,512	2,295,254
Capital outlay	1,006,960	524,598	304,505	1,932,647
Debt service				
Principal retirement	1,429,511	1,298,748	1,060,330	887,795
Interest	29,495	775,378	385,401	437,746
Total expenditures	<u>5,263,727</u>	<u>5,484,756</u>	<u>4,983,696</u>	<u>6,466,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(755,547)</u>	<u>(1,457,620)</u>	<u>(505,084)</u>	<u>(2,119,834)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	1,347,171	500,330	492,795	491,205
Transfers in	624,220	621,130	2,343,989	555,482
Transfers (out)	(624,220)	(621,130)	(2,343,989)	(555,482)
Discount on bonds issued	-	(11,059)	(62,468)	-
Proceeds of refunding bonds	-	2,215,000	8,975,000	-
Payment to refunded bond escrow agent	-	(2,350,000)	(6,583,295)	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	<u>1,347,171</u>	<u>354,271</u>	<u>2,822,032</u>	<u>491,205</u>
NET CHANGE IN FUND BALANCES	<u>\$ 591,624</u>	<u>\$ (1,103,349)</u>	<u>\$ 2,316,948</u>	<u>\$ (1,628,629)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>34%</u>	<u>42%</u>	<u>31%</u>	<u>29%</u>

Data Source

Audited Financial Statements

	2007	2008	2009	2010	2011	2012
\$	2,264,407	\$ 2,291,918	\$ 2,421,983	\$ 2,415,270	\$ 2,475,875	\$ 2,510,864
	14,392	14,178	-	-	-	-
	2,029,417	2,086,690	2,040,325	2,065,553	2,006,724	2,089,019
	41,696	12,430	9,818	5,362	7,259	931
	-	-	7,026	1,723	8,295	14,309
	-	-	-	-	1,179	-
	2,200	28,410	42,372	26,178	20,670	21,909
	4,352,112	4,433,626	4,521,524	4,514,086	4,520,002	4,637,032
	842,617	976,467	586,325	666,910	741,756	715,408
	2,381,139	2,344,687	2,694,899	2,735,868	2,708,807	2,705,730
	523,381	97,043	121,736	90,995	169,805	105,888
	901,205	912,540	934,435	1,011,070	1,044,215	1,085,841
	421,944	420,419	389,481	369,974	357,541	346,482
	5,070,286	4,751,156	4,726,876	4,874,817	5,022,124	4,959,349
	(718,174)	(317,530)	(205,352)	(360,731)	(502,122)	(322,317)
	492,540	494,435	501,070	509,215	520,841	545,380
	451,041	433,194	964,550	954,757	1,027,768	1,150,365
	(451,041)	(433,194)	(964,550)	(954,757)	(1,027,768)	(1,150,365)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	5,462	38,482	1,100
	492,540	494,435	501,070	514,677	559,323	546,480
\$	(225,634)	\$ 176,905	\$ 295,718	\$ 153,946	\$ 57,201	\$ 224,163
	29%	29%	29%	29%	28%	30%

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

EQUALIZED ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Total Taxable Equalized Assessed Value	Total Direct Tax Rate	Estimated Actual Full Market Value
2002	\$ 222,096,792	\$ 3,003	\$ 51,127,214	\$ 16,677,498	\$ 289,904,507	0.6552	\$ 869,713,521
2003	221,098,132	3,003	41,930,694	17,136,684	280,168,513	0.7291	840,505,539
2004	257,037,925	3,003	45,008,903	21,292,982	323,342,813	0.6617	970,028,439
2005	277,550,656	3,003	46,613,257	22,724,010	346,890,926	0.6397	1,040,672,778
2006	285,367,368	3,003	44,532,184	19,381,430	349,283,985	0.6582	1,047,851,955
2007	345,212,992	3,003	54,108,993	22,504,784	421,829,772	0.5606	1,265,489,316
2008	373,870,787	3,003	53,526,440	23,081,291	450,481,521	0.5432	1,351,444,563
2009	398,941,079	1,877	51,281,614	20,253,056	470,477,626	0.5226	1,411,432,878
2010	358,315,524	-	47,181,197	17,804,099	423,300,820	0.5945	1,269,902,460
2011	N/A	N/A	N/A	N/A	380,925,506	0.6605	1,142,776,518

Note: Property in the District is reassessed every three years. Property is assessed and then equalized to be approximately 33 1/3% of actual value.

N/A - Information not available

Data Source

Cook County Clerk's Office

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

Tax Levy Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PARK DISTRICT DIRECT RATES										
General	0.2890	0.2913	0.2889	0.2626	0.2527	0.1998	0.2012	0.1932	0.2320	0.3130
Recreation	0.0656	0.0743	0.0637	0.0740	0.1048	0.1082	0.0989	0.0955	0.1087	0.0656
Audit	0.0040	0.0050	0.0041	0.0000	0.0018	0.0015	0.0014	0.0028	0.0011	0.0033
Paving and lighting	0.0040	0.0050	0.0029	0.0000	0.0050	0.0037	0.0023	0.0022	0.0002	0.0050
Liability insurance	0.0288	0.0383	0.0389	0.0416	0.0165	0.0195	0.0217	0.0208	0.0222	0.0263
IMRF and social security	0.0575	0.0548	0.0450	0.0670	0.0655	0.0549	0.0000	0.0000	0.0000	0.0000
IMRF	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0229	0.0219	0.0232	0.0315
Social security	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0302	0.0285	0.0319	0.0328
Police	0.0008	0.0248	0.0153	0.0000	0.0171	0.0122	0.0137	0.0131	0.0146	0.0131
Museum	0.0000	0.0075	0.0020	0.0024	0.0031	0.0021	0.0023	0.0022	0.0021	0.0034
Special recreation	0.0206	0.0368	0.0351	0.0376	0.0382	0.0316	0.0296	0.0283	0.0283	0.0197
Debt service	0.1849	0.1913	0.1658	0.1545	0.1535	0.1271	0.1190	0.1141	0.1302	0.1468
TOTAL PARK DISTRICT DIRECT RATES	0.6552	0.7291	0.6617	0.6397	0.6582	0.5606	0.5432	0.5226	0.5945	0.6605
OVERLAPPING RATES										
Cook County including forest preserve	0.7510	0.6890	0.6530	0.5930	0.5570	0.4990	0.4660	0.4430	0.4740	0.520
Metropolitan Water Reclamation District	0.3710	0.3610	0.3470	0.3150	0.2840	0.2630	0.2520	0.2610	0.2740	0.320
School District #23, #214, #512	5.3660	5.6360	5.0840	4.9200	5.0590	4.2990	4.2060	4.1470	4.7050	5.270
City of Prospect Heights/Police/Library	0.8810	1.1430	1.1480	1.2240	1.2790	1.0780	1.0590	0.3890	0.4410	0.599
All others	0.8100	0.9790	0.8080	0.8010	0.8120	0.6790	0.6260	0.7350	0.8430	0.947
TOTAL OVERLAPPING RATES	8.1790	8.8080	8.0400	7.8530	7.9910	6.8180	6.6090	5.9750	6.7370	7.6560
TOTAL TAX RATE	8.8342	9.5371	8.7017	8.4927	8.6492	7.3786	7.1522	6.4976	7.3315	8.3165

Data Source

Office of the County Clerk

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

2011				2002*			
Taxpayer	2011 Equalized Assessed Value * (1)	Rank	Percentage of Total Equalized Assessed Valuation		2002 Equalized Assessed Value	Rank	Percentage of Total Equalized Assessed Valuation
Woodland Creek Association	\$ 8,975,392	1	2.36%	The Finger Company	\$ 12,384,000	1	4.27%
Woodland Creek 2 Association	5,069,965	2	1.33%	Northwestern Mutual Life Insurance	8,394,407	2	2.90%
Northwestern Mutual Life Insurance	4,577,930	3	1.20%	C Cusick USGI Inc	7,436,260	3	2.57%
Rolling Green Country Club	3,797,604	4	1.00%	Old Orchard Country Club	3,689,393	4	1.27%
Oakton Crawford Company	2,843,360	5	0.75%	Rolling Green Country Club	2,238,502	5	0.77%
Manan Medical Products	1,855,657	6	0.49%	Oakton Crawford Company	1,937,578	6	0.67%
Monesano Capital	1,773,036	7	0.47%	Individual	1,781,929	7	0.61%
Individual	1,730,526	8	0.45%	TJM Management	1,645,929	8	0.57%
TJM Management	1,565,048	9	0.41%	Manan Medical Products	1,641,507	9	0.57%
Designer Direct	1,370,923	10	0.36%				0.00%
	<u>\$ 33,559,441</u>		<u>8.81%</u>		<u>\$ 41,149,505</u>		<u>14.19%</u>

Note:

The above taxpayers represent 8.81% of the District's \$380,925,506 equalized assessed valuation ("EAV") for tax levy year 2011. Every reasonable effort has been made to seek out and report the largest taxpayers and to include all taxable property of those taxpayers listed. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

(1) Includes only those parcels with 2011 equalized assessed valuations of \$250,000 and over as recorded in the County Assessor's Office.

* Most recent data available

Data Source

Cook County Clerk, Elk Grove and Wheeling Township Assessor's Office

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	\$ 1,899,452	\$ 1,895,004	99.77%	N/A	\$ 1,895,004	99.77%
2003	2,042,708	1,792,572	87.75%	N/A	1,792,572	87.75%
2004	2,139,557	1,961,345	91.67%	N/A	1,961,345	91.67%
2005	2,219,061	2,150,456	96.91%	N/A	2,150,456	96.91%
2006	2,298,988	2,196,764	95.55%	N/A	2,196,764	95.55%
2007	2,364,778	2,291,917	96.92%	N/A	2,291,917	96.92%
2008	2,446,068	2,410,022	98.53%	\$ 50,153	2,460,175	100.58%
2009	2,460,598	2,116,355	86.01%	286,019	2,402,374	97.63%
2010	2,518,640	2,475,553	98.29%	23,831	2,499,384	99.24%
2011	2,517,918	2,494,846	99.08%	4,631	2,499,477	99.27%

Note: Property in the District is reassessed every three years. Property is assessed and then equalized to be approximately 33 1/3% of actual value.

Collections in subsequent years is not available for 2007 and prior.

Due to collection of revenue in subsequent years, the collection rate for any one year can be greater than the tax extended.

Data Source

Office of the County Clerk

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Tax Levy Year	Population (1)	Personal Income (2)	Equalized Assessed Value	Governmental Activities		Total Primary Government	Percent of Equalized Assessed Value	Per Capita	Percent of Personal Income
					General Obligation Bonds	Other Contractual Debt				
2003	2002	15,500	\$ 572,120,500	\$ 289,904,507	\$ 10,692,172	\$ 500,559	\$ 11,192,731	3.86%	\$ 722.11	1.96%
2004	2003	15,500	572,120,500	280,168,513	10,594,782	-	10,594,782	3.78%	683.53	1.85%
2005	2004	15,500	572,120,500	323,342,813	12,126,991	-	12,126,991	3.75%	782.39	2.12%
2006	2005	15,500	572,120,500	346,890,926	11,735,112	-	11,735,112	3.38%	757.10	2.05%
2007	2006	15,500	572,120,500	349,283,985	11,331,815	-	11,331,815	3.24%	731.08	1.98%
2008	2007	15,500	572,120,500	421,829,772	10,919,044	-	10,919,044	2.59%	704.45	1.91%
2009	2008	15,500	572,120,500	450,482,521	10,770,311	-	10,770,311	2.39%	694.86	1.88%
2010	2009	15,500	572,120,500	470,477,626	10,311,969	-	10,311,969	2.19%	665.29	1.80%
2011	2010	15,000	858,900,000	423,300,820	9,832,654	-	9,832,654	2.32%	655.51	1.14%
2012	2011	15,000	858,900,000	380,925,506	9,324,915	-	9,324,915	2.45%	621.66	1.09%

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

(1) Estimated by the District

(2) U.S. Census Bureau, 2000 Census and 2010 Census

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Equalized Assessed Value	Per Capita
2003	\$ 10,692,172	\$ 827,411	\$ 9,864,761	3.4%	\$ 636.44
2004	10,594,782	14,148	10,580,634	3.8%	682.62
2005	12,126,991	20,035	12,106,956	3.7%	781.09
2006	11,735,112	251	11,734,861	3.4%	757.09
2007	11,331,815	22,965	11,308,850	3.2%	729.60
2008	10,919,044	-	10,919,044	2.6%	704.45
2009	10,770,331	17,598	10,752,733	2.4%	693.72
2010	10,311,969	13,263	10,298,706	2.2%	664.43
2011	9,832,654	14,307	9,818,347	2.3%	654.56
2012	9,324,915	22,653	9,302,262	2.4%	620.15

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

See the schedule of Equalized Assessed Value and Actual Value of Taxable Property on page 72 for property value data.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2012

Governmental Unit	Gross Debt(1)	Percentage Debt Applicable to the of District	District Share of Debt
Prospect Heights Park District (1)	\$ 9,324,915	100.00%	\$ 9,324,915
Cook County	3,706,435,000	0.250%	9,266,088
Cook County Forest Preserve	187,950,000	0.250%	469,875
Metropolitan Water Reclamation District	2,238,816,507	0.260%	5,820,923
Village of Wheeling	65,290,000	5.820%	3,799,878
Village of Arlington Heights	48,445,000	0.640%	310,048
City of Prospect Heights	20,020,000	54.660%	10,942,932
Village of Mt. Prospect	38,035,000	3.360%	1,277,976
School District #21	28,358,314	2.870%	813,884
School District #23	1,560,000	51.060%	796,536
School District #25	5,790,000	0.640%	37,056
School District #26	13,440,000	0.930%	124,992
School District #214	71,550,000	4.040%	2,890,620
Community College District 512	178,285,000	1.850%	3,298,273
	<u>6,603,974,821</u>		<u>39,849,081</u>
	<u>\$ 6,613,299,736</u>		<u>\$ 49,173,996</u>

Data Source

Cook County Clerk's Office

(1) As of March 1, 2013

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Park District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the government's boundaries and dividing it by the District's total taxable assessed value.

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Legal debt limit	\$ 8,334,755	\$ 8,054,845	\$ 9,296,106	\$ 9,973,114	\$ 10,041,915	\$ 12,127,606	\$ 12,951,372	\$ 13,526,232	\$ 12,169,899	\$ 10,951,608
Total net debt applicable to limit	1,347,731	800,330	492,795	491,205	492,540	494,435	10,770,311	10,311,969	9,832,654	9,324,915
LEGAL DEBT MARGIN	\$ 6,987,024	\$ 7,254,515	\$ 8,803,311	\$ 9,481,909	\$ 9,549,375	\$ 11,633,171	\$ 2,181,061	\$ 3,214,263	\$ 2,337,245	\$ 1,626,693
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	16.2%	9.9%	5.3%	4.9%	4.9%	4.1%	83.2%	76.2%	80.8%	85.1%

Legal Debt Margin Calculation for Fiscal 2012

2011 Assessed Value (most recent available)	\$ 380,925,506
Legal debt margin	<u>2.875%</u>
Debt limit	10,951,608
Debt applicable to limit	
General obligation bonds, notes and certificates	<u>9,324,915</u>
Legal debt margin	<u>\$ 1,626,693</u>

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2011	15,000	858,900,000	57,260	8.4%
2010	15,000	858,900,000	57,260	8.4%
2009	15,500	572,120,500	36,911	8.1%
2008	15,500	572,120,500	36,911	4.9%
2007	15,500	572,120,500	36,911	3.6%
2006	15,500	572,120,500	36,911	3.0%
2005	15,500	572,120,500	36,911	4.1%
2004	15,500	572,120,500	36,911	4.3%
2003	15,500	572,120,500	36,911	4.7%
2002	15,500	572,120,500	36,911	4.8%

- (1) Population estimates by District
- (2) U.S. Census Bureau, 2000 Census, 2010 Census
- (3) Illinois Department of Employment Security (IDES)

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago

2012				2004			
Employer	Number of Employees	Rank	Percentage of Total District Employment	Employer	Number of Employees	Rank	Percentage of Total District Employment
School District Number 23*	169	1	28.1%	Household International, Inc.	1,100	1	74.0%
Prospect Heights Park District*	163	2	27.1%	Jarke Corp	99	2	6.7%
Terrance Electric & Technology	63	3	10.5%	Siemens Hearing Instruments, Inc.	90	3	6.1%
Prospect Heights Fire Protection District	54	4	9.0%	Doetsch Bros. Company	60	4	4.0%
City of Prospect Heights	43	5	6.8%	Prospect Heights Public Library District	40	5	2.7%
Prospect Heights Library	41	6	7.1%	Banco Popular	31	6	2.1%
Walgreens	32	7	5.3%	Camera Ready Copies, Inc	25	7	1.7%
NAPA-Heights Automotive	15	8	0.0%	Lewis International, Inc	22	8	1.5%
Flower Garden	13	9	1.5%	Gray Machinery Co.	20	9	1.3%
Metro Credit Union	9	10	1.5%				

NOTES:

* Phone canvas. Includes full, part-time and seasonal

Information prior to 2004 is not available

Data Source

Illinois Manufacturers and Illinois Service Directories

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ADMINISTRATIVE AND FINANCE										
Executive Director	1	1	1	1	1	1	1	1	1	1
Business Manager	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
HR Coordinator/Accounting Assistant	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
IT Administrator	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Administrative Assistant	1	1	1	1	0.5	0.5	0.5	1	1	1
Total Administrative and Finance	3.0	3.0	3.5	3.5	3.0	3.0	3.0	3.5	3.5	3.5
RECREATION AND FACILITIES DEPARTMENT										
Superintendent of Parks and Recreation	1	1	1	1	1	1	1	1	1	1
Director of Golf Operations	1	1	1	1	1	1	1	1	1	1
Superintendent of Greens	1	1	1	1	1	1	1	1	1	1
Superintendent of Facilities	1	1	1	1	1	1	1	1	1	1
Supervisor of Programming	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Registrar	1	1	1	1	1	1	1	1	1	1
Parks Foreman	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	2	2	2	2	2	2	2	2	2	3
Assistant Golf Pro	1	1	1	1	1	1	1	1	1	1
Shop Mechanic	1	1	1	1	1	1	1	1	1	1
Greens Foreman	1	1	1	1	1	1	1	1	1	1
Total Recreation and Facilities Department	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	14.5
TOTAL PARK DISTRICT	16.5	16.5	17.0	17.0	16.5	16.5	16.5	17.0	17.0	18.0

Data Source

District Finance Department

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

OPERATING INDICATORS

Last Six Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012
PROGRAM ATTENDANCE						
Preschool	80	69	70	78	85	88
Kinderstop	-	10	27	30	43	39
Children's	753	670	645	634	349	425
Performing arts	220	256	328	259	199	132
Athletics	630	708	652	534	640	645
Seniors	1,178	1,717	1,530	1,880	1,372	1,330
Camps	550	485	473	430	472	508
Total program attendance	3,411	3,915	3,725	3,845	3,160	3,167
AQUATICS						
Swim lessons	88	67	66	63	89	108
Pool passes	145	138	118	102	140	106
Daily swim	4,934	4,658	4,707	5,014	4,240	4,225
Total aquatics	5,167	4,863	4,891	5,179	4,469	4,439
FITNESS CENTER ATTENDANCE						
Membership	461	502	504	529	431	424
Daily use	1,146	1,768	1,567	1,304	1,500	1,138
Total fitness center attendance	1,607	2,270	2,071	1,833	1,931	1,562
GOLF						
Outings	68	65	82	87	79	85
Membership	160	158	150	158	90	102
Open play	27,725	26,462	28,237	28,101	23,372	24,888
Warm up range	-	4,134	4,528	4,003	4,242	4,141
Total golf	27,953	30,819	32,997	32,349	27,783	29,216

Data Source

Various District departments

PROSPECT HEIGHTS PARK DISTRICT
PROSPECT HEIGHTS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
PARKS										
Number	15	16	15	15	15	15	15	15	15	15
Owned acres	151.47	159.97	158.97	158.97	158.97	158.97	158.97	158.97	158.97	158.97
Leased acres	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Total acres	163.47	171.97	170.97	170.97	170.97	170.97	170.97	170.97	170.97	170.97
FACILITIES										
Playgrounds	7	7	7	7	7	7	7	7	7	7
Swimming pools	1	1	1	1	1	1	1	1	1	1
Recreation centers	1	1	1	1	1	1	1	1	1	1
Indoor racquet courts	2	2	2	2	2	2	2	2	2	2
Tennis courts	3	3	3	3	3	3	3	3	3	3
Basketball courts	4	4	4	4	4	4	4	4	4	4
18 hole golf course	1	1	1	1	1	1	1	1	1	1
Warm up range	-	-	-	1	1	1	1	1	1	1
Football/soccer fields	2	2	2	2	2	2	2	2	2	2
Ball fields	3	3	3	3	3	3	3	3	3	3
Outdoor tennis courts	3	3	3	3	3	3	3	3	3	3
Picnic areas	6	6	6	6	6	6	6	6	6	6
Jogging and bike trails	4 miles	4 miles	4 miles	4 miles	4 miles	4 miles	4 miles	4 miles	4 miles	4 miles

Data Source

Various District departments