

CITY OF HIGHLAND PARK, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2003

Prepared by Finance Department

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CITY OF HIGHLAND PARK, ILLINOIS

PRINCIPAL OFFICIALS

LEGISLATIVE

Mayor:

Daniel M. Pierce	May 1, 1999 – April 30, 2003
Michael D. Belsky	May 1, 2003 – April 30, 2007

City Council:

Mari A. Barnes	May 1, 1999 – April 30, 2007
Michael D. Belsky	May 1, 1999 – April 30, 2003
Michael C. Brenner	May 1, 2001 – April 30, 2005
James R. Kirsch	May 1, 2001 – April 30, 2005
Peter J. Koukos	May 1, 1999 – April 30, 2003
Scott Levenfeld	May 1, 2003 – April 30, 2007
Steven W. Mandel	May 1, 2001 – April 30, 2005
Lawrence D. Silberman	May 1, 2003 – April 30, 2007

David W. Fairman, City Clerk (to 5/16/03)
Shirley A. Fitzgerald, City Clerk (effective 5/27/03)

ADMINISTRATIVE

David M. Limardi, City Manager

David W. Fairman, Director of Fiscal & Administrative Services (to 5/16/03)
William H. Jones, Jr. Acting Finance Director (5/16/03-10/13/03)
Elizabeth A. Spencer, Finance Director (effective 10/13/03)

THE CITIZENS OF HIGHLAND PARK

Mayor and City Council

Michael D. Belsky, Mayor

Mari A. Barnes Scott Levenfeld

Michael C. Brenner Steven W. Mandel

James R. Kirsch Lawrence D. Silberman

City Boards and Commissions

Business and Economic

Development Commission

Civil Service Commission

Cultural Arts Commission

Design Review Commission

Emergency Telephone System Board

Environmental Commission

Firefighters Pension Board

Historic Preservation Commission

Housing Commission

Human Relations Commission

Lakefront Commission

Library Board

Plan Commission

Police Pension Board

Ravinia Festival Community

Relations Commission

Telecommunications Commission

Traffic Commission

Zoning Board of Appeals

City Manager

David Limardi

City Treasurer

Ronald Zweig

Corporation Counsel

Steven Elrod

Asst. City Manager

Patrick Brennan

Asst. City Manager

William Jones

City Clerk

Shirley Fitzgerald

Dir of Community Devel

Michael Blue

Fire Chief

David Campagni

Director of Finance

Elizabeth Spencer

Chief of Police

Paul Shafer

Director of Public Works

Mary Anderson

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Highland Park,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2002

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



President

Executive Director



CITY OF HIGHLAND PARK

1707 ST. JOHNS AVENUE
HIGHLAND PARK, ILLINOIS 60035
(847) 432-0800

October 20, 2003

To: The Mayor and Members of the City Council
and the Citizens of the City of Highland Park

The Comprehensive Annual Financial Report (CAFR) of the City of Highland Park (City) for the fiscal year ended April 30, 2003 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the report of the independent public accountants on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a ten-year basis.

This report includes all funds, account groups, and component units of the City. The City provides a full range of services including: public safety; community and economic development; construction and maintenance of the City's streets and infrastructure; as well as youth, senior, cultural and library services. In addition to these general governmental services, the City also provides water and sewer service as well as maintaining an underground parking facility and several parking lots. The CAFR also includes the activities of both the Police and Fire Pension Funds although control of these funds rests with the independent boards.

ECONOMIC CONDITION AND OUTLOOK

The City has a long-standing heritage as one of the prestigious communities along Chicagoland's "north shore" of Lake Michigan. The economic outlook remains very strong as the City enters the 21st Century, as the City's stable tax base increased by approximately 4.6% during the fiscal year. Of the total tax base, 90% is residential property. This large proportion of residential property reflects the value that the market has placed on living in Highland Park. The 2000 Median Home Value in the City was \$380,000, which is more than twice the statewide median. Of the City's 8,888 single-family homes, over 23% were valued above \$500,000. The 1,958 homes valued in this category comprise 2.3% of all homes so valued in the entire State of Illinois.

The residents will continue to support these substantial home values as evidenced by the 2000 census which showed that of the 16,269 member civilian labor force, over 55% were employed in the "Managerial & Professional" category. The per capita income of this labor force according to the latest census data was \$55,331, which placed the City among the nation's wealthiest communities with populations of 25,000 or more.

While primarily a residential community, the City's business base has experienced excellent growth over the last ten years. Commercial property comprises 10% of the total tax base. Each of the three main commercial areas in the City, including the Central Business District, the Skokie Corridor, and the Ravinia Business District, has undergone significant planning and revitalization efforts. The Central Business District has been a major focus of the City's attention through the redevelopment of the "target block." With this project successfully completed, the City reduced the boundary of the tax increment financing district in 2002, thereby infusing over \$40 million of new commercial value to the tax base.

MAJOR INITIATIVES FOR THE FISCAL YEAR 2002-2003

The City continued its effort to update the official Master Plan, incorporating valuable input received through an exhaustive public process into amendments adopted for several individual neighborhood districts. Public improvements identified through the planning process have been incorporated into the five-year capital improvement program.

A staff steering committee that was formed to conduct a needs assessment and subsequently, a procurement process to replace the City's financial reporting system with a citywide enterprise resource planning system (ERP), selected Eden Systems, Inc. as the City's new vendor. Implementation of the system, which began in early 2003 and is expected to be completed by mid-2004, will link City operations to the financial reporting system, thereby improving productivity and service delivery.

Several major capital projects were accomplished during the year, as work commenced on a multi-year effort to rebuild portions of the City's storm and sanitary sewer systems, in order to reduce residential flooding. Additionally, the City completed work on the reconstruction of the west train station parking lot in downtown Highland Park, as part of an effort to enhance commuter parking, and improve vehicular traffic flow.

FOR THE FUTURE

The City continues to plan for its future to preserve the outstanding quality of life enjoyed by the residents, and to ensure a high level of service to the community. Several planning initiatives are underway.

The City has taken action to ensure that funding for the existing infrastructure will be increased. Beginning on January 2, 2003, an additional one-half percent home-rule sales tax was imposed on the sale of general merchandise. This incremental tax is expected to yield approximately \$2 million each year, with half of that amount pledged to storm water and sanitary sewer improvements. The remaining \$1 million will be used to abate the property tax levy for debt service planned for the projects described below.

Preliminary budget and design of a \$10 million recreation center has been approved. Funding for the project will be provided by a general obligation borrowing by the City, with \$4 million to be repaid by the Park District pursuant to an intergovernmental agreement.

Design is also underway for the construction of a new \$9 million police facility. With financial assistance from both the state and federal government, current plans also include office space for the Northern Illinois Crime Laboratory, a multi-jurisdictional funded, state-of-the-art forensic center.

Construction of a new, two-level parking facility is currently underway on land currently owned by the City. This improvement, which is scheduled for completion at the end of calendar year 2003, will double the parking available for shoppers and employees in a critical area of the central business district.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary control is maintained on an object basis for most City funds. Estimated revenues are based upon amounts expected to be received during the year. Appropriations are based upon anticipated cash needs for specifically identified projects. These appropriations lapse at year-end. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Enterprise Funds, and Internal Service Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. The City also maintains an encumbrance accounting system as one technique of ensuring budgetary control. Encumbered amounts lapse at year-end.

The basis of accounting for fund transactions is dictated by the specific type of fund utilized by the City. The modified accrual basis of accounting is utilized for all governmental funds (i.e., General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds) and agency funds. The Enterprise Funds, Internal Service Funds, and Pension Trust Funds are reported on the accrual basis of accounting.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS

The following schedule presents a summary of revenues for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds; and Component Unit - Library for the fiscal year 2002-2003 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2002</u>	<u>Percent of Increase (Decrease) from 2002</u>
Property taxes	\$12,761,565	29.7%	\$ 500,172	4.1%
Other local taxes	18,236,812	42.5	(751,984)	(4.0)
Licenses, permits & fines	2,683,523	6.3	220,610	9.0
Investment income	539,917	1.3	(273,740)	(33.6)
Charges for current services	1,933,379	4.5	119,796	6.6
Revenue from other agencies	5,156,263	12.0	3,478,543	207.3
Miscellaneous revenue	<u>1,604,643</u>	<u>3.7</u>	<u>73,940</u>	4.8
Total	<u>\$42,916,102</u>	100.0%	<u>\$3,367,337</u>	8.5%

As indicated in the above table, total general government revenues increased when compared to the prior year by 8.5%. The largest dollar increase was in the category of Revenue from other agencies, which increased by \$3,478,543. This increase is primarily attributable to grants received for local roads and highways and acquisition of open lands. The largest percentage decrease was in the investment income category. Fiscal Year 2003 investment income decreased by \$273,740 as a result of the decline in interest rates during the year.

The following schedule presents a summary of expenditures for the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds; and Component Unit - Library for the fiscal year 2002-2003 and the amount and percentage of increases and decreases in relation to prior year expenditures.

<u>Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2002</u>	<u>Percent of Increase (Decrease) from 2002</u>
Current:				
General Government	\$8,338,055	16.6%	\$(94,760)	1.1%
Public Safety	12,849,750	25.7	694,502	5.7
Public Works	7,758,732	15.5	545,761	7.6
Other	1,078,801	2.2	(603,538)	(35.9)
Pensions	1,618,747	3.2	(188,384)	(10.4)
Library	2,839,065	5.7	841,105	42.1
Debt Service	4,587,872	9.2	349,244	8.2
Capital Outlay	<u>11,009,761</u>	<u>21.9</u>	<u>5,461,785</u>	98.4
Total	<u>\$50,080,783</u>	<u>100.0%</u>	<u>\$7,005,715</u>	16.3%

In total, general government expenditures increased by 16.3% when compared to 2002. The largest increase from the prior year was in the category of Capital Outlay. The \$5,461,785 increase was due primarily to the purchase of land in the current year. There were significant decreases in the categories of Other and Pensions. The decrease of \$603,538 in other was

attributable to higher than normal legal defense costs incurred in 2002. The \$188,384 decrease in pensions is due to a change in funding methodology for the Police and Fire Pensions.

GENERAL FUND BALANCE

At April 30, 2003, the fund balance of the General Fund totals \$8,638,274, which is equal to approximately 120 working days of actual expenditures and interfund transfers. Maintaining this level of fund balance significantly reduces the likelihood of the City entering the short-term debt market to pay for current operating expenditures.

ENTERPRISE OPERATIONS

The City's enterprise operations are comprised of three separate activities: the Motor Vehicle Parking Fund, the Water Fund, and the Highland Park Country Club Fund. The following data illustrates the operating revenues and expenses, excluding depreciation, for the 2002-2003 fiscal year and the amount and percentage of increase in relation to the prior year.

	<u>Amount</u>	<u>Increase (Decrease) from 2002</u>	<u>Percent of Increase (Decrease) from 2002</u>
Operating revenues	\$ 11,395,268	\$ 966,645	9.3%
Operating expenses excluding depreciation and amortization	<u>6,231,511</u>	<u>(541,814)</u>	(8.0)
Net operating income before depreciation	<u>\$ 5,163,757</u>	<u>\$ 1,508,459</u>	41.3%

The 9.3% increase in operating revenues is primarily attributable to the Water Fund, due to higher demand and a rate increase. Slightly offsetting this increase was a 7% decrease in revenues from the Parking Fund. Each of the City's three Enterprise Funds experienced decreased operating expenses during the year.

PENSION TRUST FUND OPERATIONS

Police Pension Fund net assets decreased by \$679,146 for the current fiscal year, while a \$302,243 increase was reported for the Firefighters' Pension Fund. The most recent actuarial determination for the unfunded actuarial accrued liability indicates funding levels of 78.72% for the Police Pension Fund and 75.34% for the Firefighters' Pension Fund.

DEBT ADMINISTRATION

The ratio of fiscal 2003 net bonded debt to 2002 equalized assessed valuation (the most recent available information) and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. These data for the City at the end of the 2003 fiscal year were as follows:

	<u>Amount</u>	<u>Ratio to Equalized Assessed Value</u>	<u>Per Capita</u>
Net direct bonded debt	\$30,775,635	1.76%	\$1,017

On April 26, 1993, the City issued \$8,200,000 of bank-qualified, corporate purpose bonds ("Series 1993A") to provide funds for the acquisition of the Highland Park Country Club. Proceeds from this issue, along with a taxable, variable-rate line of credit, were used to fund the \$10,000,000 purchase.

On February 26, 1996, the City issued \$4,975,000 of bank-qualified, corporate purpose bonds (Series 1996) to provide funds for an aquatic center and street reconstruction for access thereto.

On December 15, 1997 the City issued \$4,870,000 of bank-qualified, corporate purpose bonds ("Series 1997A") to provide funds for water system and public facilities improvements. In addition, the City issued \$1,900,000 in general obligation refunding bonds ("Series 1997B"). The proceeds of which were used to refund certain maturities of the City's "Series 1990" general obligation corporate purpose bonds.

On December 14, 1998, the City sold \$4,300,000 of bank-qualified, corporate purpose bonds ("Series 1998"). Of the proceeds, \$1,100,000 was used for water system improvements, \$3,030,000 was used for facilities improvements, and \$170,000 was used for the installation of cart paths at the Highland Park Country Club.

On July 26, 1999, the City issued a \$3,000,000 general obligation note ("Series 1999") for the purpose of funding streetscape and infrastructure improvements in connection with the Renaissance Place project.

On November 22, 1999, the City sold \$2,000,000 of corporate purpose bonds ("Series 1999"). Of the proceeds of this issue of Series 1999 bonds, \$1,000,000 was used for the Highland Park Country Club renovation of the clubhouse, and \$1,000,000 was used for water system improvements.

On October 1, 2000, the City sold \$2,500,000 of bank-qualified, corporate purpose bonds ("Series 2000"). Of the proceeds, \$900,000 was used for an automated irrigation system for the Highland Park Country Club, and the remaining \$1,600,000 was used for water system improvements.

On December 10, 2001, the City refunded portions of the outstanding General Obligation Corporate Purpose Bonds Series 1993A, 1994B, and 1996 by issuing \$10,000,000 of General Obligation Refunding Bonds ("Series 2001").

On December 9, 2002, the City sold \$10,000,000 of bank-qualified, corporate purpose bonds ("Series 2002"). From the proceeds, \$1,500,000 was used for water service improvements, \$1,950,000 was used for land acquisition, \$1,000,000 was directed to the construction of a new public recreation facility, \$1,000,000 was used to fund the design of a new police headquarters facility, and \$4,550,000 was utilized to fund the construction of a new public parking garage.

Since Highland Park is a home rule unit, there is presently no statutory limit on the amount of general obligation debt. However, if the City were subject to such a limitation, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. Using 2002 values, this limitation would allow for over \$150,918,373 in debt as compared to the \$30,775,635 now outstanding. Maintaining significantly lower debt levels provides for greater flexibility in issuing additional bonds if the need arises.

The City of Highland Park has not used long-term debt to fund operating expenditures, limiting the use of proceeds from all bond issues for capital outlay purposes only. The City's bond rating on general obligation bonds was upgraded by Moody's to Aaa, the highest rating possible, during fiscal year 1996. This rating has been affirmed for all subsequent bond issues.

CASH MANAGEMENT

Cash, temporarily idle during the year, was invested in certificates of deposit, U.S. Treasury bills and notes, the Illinois Public Treasurer's Investment Pool, and other securities. Interest earned on investments (excluding pension trust funds) during the year was \$563,731, a decrease of 33% from the prior year due to declines in interest rates. Investments by fund type held at year-end are as follows:

<u>Fund</u>	<u>Amount</u>
General Corporate	\$6,394,070
Special Revenue	0
Library	741,886
Debt Service	0
Capital Projects	49,766
Enterprise	3,137,966
Internal Service	0
Trust and Agency	<u>44,161,890</u>
Total	<u>\$54,485,578</u>

GENERAL FIXED ASSETS

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of Enterprise and Internal Service Funds. As of April 30, 2003, the original cost of the City's general fixed assets amounted to \$54,057,037. Depreciation of general fixed assets is not recognized in the City's accounting system.

RISK MANAGEMENT

On May 1, 2002, the City became a member of the Intergovernmental Risk Management Agency (IRMA), a risk pool comprised of approximately eighty (80) municipalities and fire protection districts throughout the greater Chicagoland area. IRMA's risk management program is administered in-house by IRMA staff, and all member agencies are required to make a strong commitment to effective public risk management. All covered losses of IRMA members, including those within the member's deductibles, are processed by IRMA's professional, self-administered claims staff. IRMA provides a coverage limit of \$10,000,000 for all general, auto, and police liability, a \$30,000,000 coverage limit on workers' compensation, and a \$250,000,000 coverage limit on property. The City continues to be self-insured for all unemployment and health care claims.

INDEPENDENT AUDIT

State Statutes require an annual audit by an independent certified public accountant. The accounting firm of Sikich Gardner and Company, LLP was selected by the City Council to conduct the annual audit for the fiscal year 2002-2003. The report of independent public accountants on the general purpose financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

AWARDS

For the eighteenth consecutive year, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2002. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

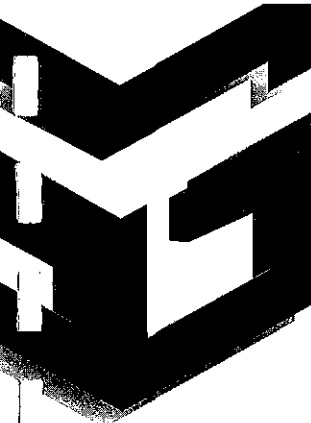
The preparation of this report could not have been accomplished without the dedicated services of Finance Department staff and the cooperation of all operating departments of the City. We wish to express our appreciation to all who assisted in this endeavor. Most importantly, we wish to thank the Mayor and City Council for their leadership and interest in planning and conducting the financial operations of the City in a responsible and prudent manner.

Respectfully submitted,



Elizabeth A. Spencer
Finance Director

INDEPENDENT AUDITOR'S REPORT



Sikich Gardner & Co, LLP.

Accountants & Consultants

998 Corporate Boulevard
Aurora, IL 60504

A Member of Sikich Group, LLC

MEMBERS OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
ILLINOIS CPA SOCIETY

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Highland Park, Illinois

We have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the City of Highland Park, Illinois, as of and for the year ended April 30, 2003, as listed in the accompanying table of contents. These financial statements are the responsibility of the City of Highland Park, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Highland Park, Illinois, as of April 30, 2003, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Highland Park, Illinois, as of April 30, 2003, and the results of operations of such funds and cash flows of individual proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying financial information listed as schedules in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Highland Park, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements and each of the combining, individual fund, and account group financial statements taken as a whole.

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

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

Sikich Gardner & Co, LLP

Aurora, Illinois
July 3, 2003

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CITY OF HIGHLAND PARK, ILLINOIS

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS AND
DISCRETELY PRESENTED COMPONENT UNIT

April 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS				
Cash	\$ 827,027	\$ 2,045,529	\$ 1,277,999	\$ 1,418,652
Investments	6,394,070	-	-	49,766
Receivables				
Property taxes	1,662,289	3,447,063	3,062,112	1,059,712
Utility customers, net	-	-	-	-
Motor fuel tax allotments	-	69,394	-	-
Intergovernmental	2,788,832	-	-	-
Accrued interest	-	-	-	-
Other	1,077,777	217,400	-	542,878
Due from other funds	2,023,601	862,453	28,111	4,838,156
Other assets	43,436	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Property, plant, and equipment, net of accumulated depreciation	-	-	-	-
OTHER DEBITS				
Amount available for retirement of general long-term debt	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 14,817,032	\$ 6,641,839	\$ 4,368,222	\$ 7,909,164

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit	Totals Reporting Entity (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt			
\$ 39,983	\$ 1,404,582	\$ 3,520,029	\$ -	\$ -	\$ 10,533,801	\$ 349,049	\$ 10,882,850
3,137,966	-	44,161,890	-	-	53,743,692	741,886	54,485,578
-	-	-	-	-	9,231,176	3,079,610	12,310,786
1,514,859	-	-	-	-	1,514,859	-	1,514,859
-	-	-	-	-	69,394	-	69,394
-	-	-	-	-	2,788,832	-	2,788,832
-	-	483,090	-	-	483,090	-	483,090
840	-	151,285	-	-	1,990,180	-	1,990,180
2,094,609	-	1,360,902	-	-	11,207,832	-	11,207,832
-	-	-	-	-	43,436	-	43,436
85,407	-	-	-	-	85,407	-	85,407
3,800	-	500	-	-	4,300	-	4,300
34,611,944	2,550,023	-	54,057,037	-	91,219,004	3,269,643	94,488,647
-	-	-	-	1,306,110	1,306,110	-	1,306,110
-	-	-	-	19,742,025	19,742,025	138,965	19,880,990
\$ 41,489,408	\$ 3,954,605	\$ 49,677,696	\$ 54,057,037	\$ 21,048,135	\$ 203,963,138	\$ 7,579,153	\$ 211,542,291

(This statement is continued on the following pages.)

CITY OF HIGHLAND PARK, ILLINOIS

COMBINED BALANCE SHEET (Continued)
 ALL FUND TYPES AND ACCOUNT GROUPS AND
 DISCRETELY PRESENTED COMPONENT UNIT

April 30, 2003

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND EQUITY AND OTHER CREDITS				
LIABILITIES				
Accounts payable	\$ 421,488	\$ 142,127	\$ -	\$ 190,214
Accrued payroll	305,403	21,262	-	-
Accrued insurance claims	311,843	-	-	-
Accrued expenses	-	-	-	-
Due to other funds	3,477,735	2,223,321	-	1,666,275
Due to others	-	-	-	-
Bond discount	-	-	-	-
Interest payable	-	-	-	-
Deferred revenue	1,662,289	3,447,063	3,062,112	1,059,712
Compensated absences payable	-	-	-	-
Net pension obligation	-	-	-	-
Refundable deposits	-	-	-	124,846
General obligation bonds payable	-	-	-	-
Installment note payable	-	-	-	-
Total liabilities	6,178,758	5,833,773	3,062,112	3,041,047
EQUITY AND OTHER CREDITS				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings				
Unreserved	-	-	-	-
Fund balances				
Reserved for debt service	-	-	1,306,110	-
Reserved for retirement benefits	-	-	-	-
Reserved for working cash	-	446,328	-	-
Reserved for gifts	-	-	-	-
Unreserved-undesignated	8,638,274	361,738	-	4,868,117
Total equity and other credits	8,638,274	808,066	1,306,110	4,868,117
TOTAL LIABILITIES AND OTHER CREDITS	\$ 14,817,032	\$ 6,641,839	\$ 4,368,222	\$ 7,909,164

Proprietary Fund Types		Fiduciary	Account Groups		Totals	Component	Totals
Enterprise	Internal	Fund Types	General	General	Primary		Reporting
	Service	Trust and	Fixed	Long-Term	Government	Unit	Entity
		Agency	Assets	Debt	(Memorandum		(Memorandum
					Only)		Only)
\$ 493,662	\$ 33,005	\$ 383,121	\$ -	\$ -	\$ 1,663,617	\$ 89,553	\$ 1,753,170
137,184	8,237	-	-	-	472,086	88,156	560,242
-	-	-	-	-	311,843	-	311,843
-	-	34,973	-	-	34,973	-	34,973
3,840,501	-	-	-	-	11,207,832	-	11,207,832
-	-	359,405	-	-	359,405	-	359,405
(44,685)	-	-	-	-	(44,685)	-	(44,685)
180,214	-	-	-	-	180,214	-	180,214
4,563	-	33,686	-	-	9,269,425	3,079,610	12,349,035
-	39,461	-	-	1,232,985	1,272,446	69,304	1,341,750
-	-	-	-	189,515	189,515	-	189,515
-	-	2,702,992	-	-	2,827,838	-	2,827,838
11,150,000	-	-	-	19,625,635	30,775,635	-	30,775,635
-	-	-	-	-	-	69,661	69,661
15,761,439	80,703	3,514,177	-	21,048,135	58,520,144	3,396,284	61,916,428
-	-	-	54,057,037	-	54,057,037	3,269,643	57,326,680
11,443,559	-	-	-	-	11,443,559	-	11,443,559
14,284,410	3,873,902	-	-	-	18,158,312	-	18,158,312
-	-	-	-	-	1,306,110	-	1,306,110
-	-	46,163,519	-	-	46,163,519	-	46,163,519
-	-	-	-	-	446,328	387,780	834,108
-	-	-	-	-	-	69,853	69,853
-	-	-	-	-	13,868,129	455,593	14,323,722
25,727,969	3,873,902	46,163,519	54,057,037	-	145,442,994	4,182,869	149,625,863
\$ 41,489,408	\$ 3,954,605	\$ 49,677,696	\$ 54,057,037	\$ 21,048,135	\$ 203,963,138	\$ 7,579,153	\$ 211,542,291

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND
DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended April 30, 2003

	Governmental Fund Types				Totals		Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Primary Government (Memorandum Only)	Component Unit	
REVENUES							
Property taxes	\$ 1,323,977	\$ 3,558,678	\$ 3,029,015	\$ 1,952,485	\$ 9,864,155	\$ 2,897,410	\$ 12,761,565
Illinois state replacement taxes	96,335	51,296	-	-	147,631	12,464	160,095
Licenses and permits	1,602,517	661,747	-	-	2,264,264	-	2,264,264
Charges for current services	739,804	1,174,600	-	-	1,914,404	18,975	1,933,379
Municipal sales tax	10,014,358	-	-	-	10,014,358	-	10,014,358
Fines and forfeitures	346,179	-	-	-	346,179	73,080	419,259
Utility tax	3,743,805	-	-	-	3,743,805	-	3,743,805
Cable television franchise tax	359,946	-	-	-	359,946	-	359,946
Real estate transfer tax	2,000,860	-	-	-	2,000,860	-	2,000,860
Investment income	466,827	6,460	5,809	39,418	518,514	21,403	539,917
Illinois state income tax	1,913,363	-	-	-	1,913,363	-	1,913,363
Regional Transportation Authority reimbursement	892,506	-	-	-	892,506	-	892,506
Franchise tax	44,385	-	-	-	44,385	-	44,385
Motor fuel tax allotments	-	974,586	-	-	974,586	-	974,586
Grants	-	-	-	3,251,623	3,251,623	37,548	3,289,171
Miscellaneous	1,451,650	121,120	-	-	1,572,770	31,873	1,604,643
Total revenues	24,996,512	6,548,487	3,034,824	5,243,526	39,823,349	3,092,753	42,916,102
EXPENDITURES							
Current							
General government	8,166,203	171,852	-	-	8,338,055	-	8,338,055
Public safety	12,700,289	149,461	-	-	12,849,750	-	12,849,750
Public works	2,947,438	4,811,294	-	-	7,758,732	-	7,758,732
Employee retirement benefits	-	1,618,747	-	-	1,618,747	-	1,618,747
Other	1,066,301	-	-	12,500	1,078,801	-	1,078,801
Library	-	-	-	-	-	2,839,065	2,839,065

	Governmental Fund Types				Totals Primary Government		Totals Reporting Entity	
	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)	Component Unit	(Memorandum Only)	
EXPENDITURES (Continued)								
Debt service	\$ -	\$ -	\$ 4,464,514	\$ -	\$ 4,464,514	\$ 123,358	\$ 4,587,872	
Capital outlay	-	435,678	-	10,525,422	10,961,100	48,661	11,009,761	
Total expenditures	24,880,231	7,187,032	4,464,514	10,537,922	47,069,699	3,011,084	50,080,783	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	116,281	(638,545)	(1,429,690)	(5,294,396)	(7,246,350)	81,669	(7,164,681)	
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	8,413,730	8,413,730	-	8,413,730	
Operating transfers in	731,800	1,481,896	2,797,841	2,066,934	7,078,471	-	7,078,471	
Operating transfers (out)	(2,301,934)	(931,300)	-	(2,797,841)	(6,031,075)	-	(6,031,075)	
Total other financing sources (uses)	(1,570,134)	550,596	2,797,841	7,682,823	9,461,126	-	9,461,126	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,453,853)	(87,949)	1,368,151	2,388,427	2,214,776	81,669	2,296,445	
FUND BALANCES, MAY 1	6,634,700	898,624	(62,041)	2,242,190	9,713,473	831,557	10,545,030	
Prior period adjustment	3,465,675	149,120	-	237,500	3,852,295	-	3,852,295	
FUND BALANCES, MAY 1, RESTATED	10,100,375	1,047,744	(62,041)	2,479,690	13,565,768	831,557	14,397,325	
Residual equity transfer in	151,729	-	-	-	151,729	-	151,729	
Residual equity transfer (out)	(159,977)	(151,729)	-	-	(311,706)	-	(311,706)	
FUND BALANCES, APRIL 30	\$ 8,638,274	\$ 808,066	\$ 1,306,110	\$ 4,868,117	\$ 15,620,567	\$ 913,226	\$ 16,533,793	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL, SPECIAL REVENUE, AND DEBT SERVICE FUND TYPES

For the Year Ended April 30, 2003

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES			
Property taxes	\$ 1,321,300	\$ 1,323,977	\$ 2,677
Illinois state replacement taxes	140,000	96,335	(43,665)
Licenses and permits	1,432,316	1,602,517	170,201
Charges for current services	886,279	739,804	(146,475)
Municipal sales tax	10,279,682	10,014,358	(265,324)
Fines and forfeitures	294,987	346,179	51,192
Utility tax	3,550,173	3,743,805	193,632
Fire insurance tax	55,000	-	(55,000)
Cable television franchise tax	377,122	359,946	(17,176)
Real estate transfer tax	1,868,500	2,000,860	132,360
Investment income	861,638	466,827	(394,811)
Illinois state income tax	2,225,816	1,913,363	(312,453)
Regional Transportation Authority reimbursement	870,000	892,506	22,506
Franchise tax	129,751	44,385	(85,366)
Motor fuel tax allotments	-	-	-
Miscellaneous	819,229	1,451,650	632,421
Total revenues	25,111,793	24,996,512	(115,281)
EXPENDITURES			
Current			
General government	8,406,743	8,166,203	240,540
Public safety	13,005,610	12,700,289	305,321
Public works	2,859,632	2,947,438	(87,806)
Employee retirement benefits	-	-	-
Other	1,184,098	1,066,301	117,797
Debt service	-	-	-
Capital outlay	-	-	-
Total expenditures	25,456,083	24,880,231	575,852
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(344,290)	116,281	460,571
OTHER FINANCING SOURCES (USES)			
Operating transfers in	631,800	731,800	100,000
Operating transfers (out)	(2,050,000)	(2,301,934)	(251,934)
Total other financing sources (uses)	(1,418,200)	(1,570,134)	(151,934)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (1,762,490)	(1,453,853)	\$ 308,637
FUND BALANCES, MAY 1		6,634,700	
Prior period adjustment		3,465,675	
FUND BALANCES, MAY 1, RESTATED		10,100,375	
Residual equity transfer in		151,729	
Residual equity transfer (out)		(159,977)	
FUND BALANCES, APRIL 30		\$ 8,638,274	

Special Revenue Funds			Debt Service Funds			Total (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 3,570,000	\$ 3,558,678	\$ (11,322)	\$ 3,000,000	\$ 3,029,015	\$ 29,015	\$ 7,891,300	\$ 7,911,670	\$ 20,370
55,000	51,296	(3,704)	-	-	-	195,000	147,631	(47,369)
680,000	661,747	(18,253)	-	-	-	2,112,316	2,264,264	151,948
1,277,500	1,174,600	(102,900)	-	-	-	2,163,779	1,914,404	(249,375)
-	-	-	-	-	-	10,279,682	10,014,358	(265,324)
-	-	-	-	-	-	294,987	346,179	51,192
-	-	-	-	-	-	3,550,173	3,743,805	193,632
-	-	-	-	-	-	55,000	-	(55,000)
-	-	-	-	-	-	377,122	359,946	(17,176)
-	-	-	-	-	-	1,868,500	2,000,860	132,360
21,000	6,460	(14,540)	3,000	5,809	2,809	885,638	479,096	(406,542)
-	-	-	-	-	-	2,225,816	1,913,363	(312,453)
-	-	-	-	-	-	870,000	892,506	22,506
-	-	-	-	-	-	129,751	44,385	(85,366)
859,401	974,586	115,185	-	-	-	859,401	974,586	115,185
183,713	121,120	(62,593)	-	-	-	1,002,942	1,572,770	569,828
6,646,614	6,548,487	(98,127)	3,003,000	3,034,824	31,824	34,761,407	34,579,823	(181,584)
1,095,324	171,852	923,472	-	-	-	9,502,067	8,338,055	1,164,012
159,230	149,461	9,769	-	-	-	13,164,840	12,849,750	315,090
4,597,445	4,811,294	(213,849)	-	-	-	7,457,077	7,758,732	(301,655)
1,820,749	1,618,747	202,002	-	-	-	1,820,749	1,618,747	202,002
-	-	-	418,145	-	418,145	1,602,243	1,066,301	535,942
-	-	-	4,192,920	4,464,514	(271,594)	4,192,920	4,464,514	(271,594)
390,505	435,678	(45,173)	-	-	-	390,505	435,678	(45,173)
8,063,253	7,187,032	876,221	4,611,065	4,464,514	146,551	38,130,401	36,531,777	1,598,624
(1,416,639)	(638,545)	778,094	(1,608,065)	(1,429,690)	178,375	(3,368,994)	(1,951,954)	1,417,040
1,585,878	1,481,896	(103,982)	1,600,000	2,797,841	1,197,841	3,817,678	5,011,537	1,193,859
(935,282)	(931,300)	3,982	-	-	-	(2,985,282)	(3,233,234)	(247,952)
650,596	550,596	(100,000)	1,600,000	2,797,841	1,197,841	832,396	1,778,303	945,907
\$ (766,043)	(87,949)	\$ 678,094	\$ (8,065)	1,368,151	\$ 1,376,216	\$ (2,536,598)	(173,651)	\$ 2,362,947
	898,624			(62,041)			7,471,283	
	149,120			-			3,614,795	
	1,047,744			(62,041)			11,086,078	
	-			-			151,729	
	(151,729)			-			(311,706)	
\$	808,066		\$	1,306,110		\$	10,752,450	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES

For the Year Ended April 30, 2003

	Enterprise	Internal Service	Totals (Memorandum Only)
OPERATING REVENUES			
Water sales	\$ 7,213,121	\$ -	\$ 7,213,121
Water permit fees	82,795	-	82,795
Parking lot collections	525,636	-	525,636
Parking violations	204,847	-	204,847
Golf fees	1,455,199	-	1,455,199
Charges for goods and services	1,456,457	6,351,463	7,807,920
Premium reimbursement	-	65,479	65,479
Other	457,213	25,186	482,399
Total operating revenues	11,395,268	6,442,128	17,837,396
OPERATING EXPENSES			
Personal services	2,047,922	983,367	3,031,289
Contractual services	2,995,280	2,764,752	5,760,032
Cost of goods sold	514,561	-	514,561
Materials and supplies	367,373	532,631	900,004
Repairs and maintenance	303,668	25,710	329,378
Claims	-	1,574,825	1,574,825
Miscellaneous	2,707	-	2,707
Total operating expenses	6,231,511	5,881,285	12,112,796
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	5,163,757	560,843	5,724,600
Depreciation and amortization	3,942,485	736,026	4,678,511
OPERATING INCOME (LOSS)	1,221,272	(175,183)	1,046,089
NONOPERATING REVENUE (EXPENSE)			
Investment income	23,030	784	23,814
Interest expense and fiscal charges	(555,461)	-	(555,461)
Gain on sale of fixed assets	27,554	6,175	33,729
Total nonoperating revenue (expense)	(504,877)	6,959	(497,918)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	716,395	(168,224)	548,171

(This statement is continued on the following page.)

CITY OF HIGHLAND PARK, ILLINOIS

COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS (Continued)
ALL PROPRIETARY FUND TYPES

For the Year Ended April 30, 2003

	Enterprise	Internal Service	Totals (Memorandum Only)
Capital contributions	\$ 617,500	\$ -	\$ 617,500
OPERATING TRANSFERS			
Operating transfers (out)	(1,001,167)	(46,229)	(1,047,396)
Total operating transfers	(1,001,167)	(46,229)	(1,047,396)
NET INCOME (LOSS)	332,728	(214,453)	(499,225)
Add depreciation expense on contributed capital	489,282	-	489,282
INCREASE (DECREASE) IN RETAINED EARNINGS	822,010	(214,453)	(9,943)
RETAINED EARNINGS, MAY 1	13,462,400	3,928,378	17,390,778
Residual equity transfer in	-	159,977	159,977
RETAINED EARNINGS, APRIL 30	\$ 14,284,410	\$ 3,873,902	\$ 17,540,812

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES

For the Year Ended April 30, 2003

	Enterprise	Internal Service	Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,221,272	\$ (175,183)	\$ 1,046,089
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	3,942,485	736,026	4,678,511
Changes in assets and liabilities			
Receivables	(601,247)	-890	(600,357)
Inventory	7,546	-	7,546
Other assets	-	40,853	40,853
Accounts payable and other liabilities	(330,809)	(724,544)	(1,055,353)
Accrued payroll	8,613	(490)	8,123
Bond discounts	2,464	-	2,464
Deferred revenues	2,958	-	2,958
Net cash from operating activities	4,253,282	(122,448)	4,130,834
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers (out)	(1,001,167)	(46,229)	(1,047,396)
Advances from other funds	(300,000)	-	(300,000)
Miscellaneous revenue	27,554	-	27,554
Residual equity transfer in	-	159,977	159,977
Due from other funds	283,572	1,620,923	1,904,495
Due to other funds	1,329,875	-	1,329,875
Net cash from noncapital financing activities	339,834	1,734,671	2,074,505
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	617,500	-	617,500
Debt issue	1,484,776	-	1,484,776
Debt retirement	(965,000)	-	(965,000)
Interest paid	(552,185)	-	(552,185)
Proceeds from sale of assets	-	6,175	6,175
Purchase of fixed assets	(4,225,706)	(975,851)	(5,201,557)
Net cash from capital and related financing activities	(3,640,615)	(969,676)	(4,610,291)
CASH FLOWS FROM INVESTING ACTIVITIES			
Maturities of investments	(990,578)	634,973	(355,605)
Interest received	23,030	784	23,814
Net cash from investing activities	(967,548)	635,757	(331,791)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,047)	1,278,304	1,263,257
CASH AND CASH EQUIVALENTS, MAY 1	55,030	126,278	181,308
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 39,983	\$ 1,404,582	\$ 1,444,565

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
ALL PENSION TRUST FUNDS

For the Year Ended April 30, 2003

ADDITIONS

Contributions - employer	
Taxes	\$ 1,362,207
Contributions - plan members	<u>658,262</u>
Total contributions	<u>2,020,469</u>
Donations	<u>7,246</u>
Investment income	
Net appreciation (depreciation) in fair value of investments	(1,999,387)
Interest earned on investments	<u>2,585,320</u>
Total investment income (loss)	585,933
Less investment expenses	<u>(78,745)</u>
Net investment income (loss)	<u>507,188</u>
Total additions	<u>2,534,903</u>

DEDUCTIONS

Pensions and refunds	2,848,310
Miscellaneous	
Contractual professional services	<u>63,496</u>
Total deductions	<u>2,911,806</u>

NET INCREASE (DECREASE) (376,903)

NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS

May 1	<u>46,540,422</u>
April 30	<u>\$ 46,163,519</u>

See accompanying notes to financial statements.

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CITY OF HIGHLAND PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Highland Park, Illinois (the City) 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 City's accounting policies are described below.

a. Reporting Entity

The City was incorporated in 1869. The City is a municipal corporation governed by an elected seven-member council. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; health, social and cultural services; water and sanitation; public improvements; planning and zoning; and general administrative services. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units.

The City's financial statements include pension trust funds:

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund. A copy of the PPERS Annual Financial report may be obtained by written request to 1707 St. Johns Avenue, Highland Park, Illinois 60035.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The City's Mayor, Treasurer, Clerk, Attorney, and Fire Chief, one pension beneficiary elected by the membership, and three fire employees elected by the membership constitute the pension board. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, the FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters and because of the fiduciary nature of such activities. The FPERS is reported as a pension trust fund. A copy of the FPERS Annual Financial report may be obtained by written request to 1707 St. Johns Avenue, Highland Park, Illinois 60035.

The Highland Park Public Library

This component unit has an appointed nine member board and provides services to residents, generally within the geographic boundaries of the City. This component unit is included within the reporting entity because the City approves the budget and annual tax levy. In addition, bond issuance authorizations are approved by the City and the legal liability for the general obligation portion of the Library's debt remains with the City.

A copy of the Library's Annual Financial Report may be obtained by written request to Highland Park Public Library, 494 Laurel Avenue, Highland Park, Illinois 60035.

b. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund, or an expendable trust fund is used. Agency funds generally are used to account for assets that the City holds on behalf of others as their agent.

The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

c. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Accounting (Continued)

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, and agency funds. 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. The City recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, and charges for services. Sales taxes owed to the state at year end on behalf of the City also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues/additions are recorded when earned and expenses/deductions are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general corporate, special revenue, debt service (on a total generic fund basis), enterprise, and internal service funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting--under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is utilized in the governmental funds. Material encumbrances outstanding at year end, if any, are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments with a maturity of one year or less when purchased and non-negotiable certificates of deposit are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Investments in the pension trust funds are stated at fair value. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds, and contract values for insurance contracts.

f. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

g. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair value on the date received.

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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation on fixed assets acquired through intergovernmental grants, entitlements, or shared revenues externally restricted to capital acquisitions is closed to contributed capital.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized, as these assets are immovable and of value only to the City.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, water/sewer systems, and vehicles in the proprietary fund types is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

i. Compensated Absences

The City's policy for vacation pay states that vacation time is earned as of the beginning of each calendar year. Vacation credits carry over into future years up to a maximum of 30 days. Any accumulated time in excess of 30 days is lost. Vested or accumulated vacation leave including related social security and medicare that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Unused sick time may be used toward time off and/or converted to pre-tax dollars and deposited into the Section 125 Flexible Spending Program.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences (Continued)

Amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

j. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

k. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds prior to April 30, 2001. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

l. Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

m. Interfund Transactions

Quasi-external 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.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Interfund Transactions (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

n. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

o. GASB Pronouncements

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

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

a. Budgets

All departments of the City submit requests for appropriation to the City's Director of Finance so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year no supplementary appropriations were necessary.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. LEGAL COMPLIANCE AND ACCOUNTABILITY (Continued)

b. Deficit Fund Balances/Retained Earnings of Individual Funds

The following funds had a deficit in fund balance/retained earnings as of the date of this report:

Fund	Deficit Balance
Street and Bridge	\$ 444,747
Street Improvements	752,529
Highland Park Country Club	319,176
Tax Increment Financing General Obligation Bonds 1981	1,091,580

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

Fund	Excess
Street and bridge	\$ 293,038

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the City's funds.

Permitted Deposits and Investments - Statutes authorize the City to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds, and equity securities.

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

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold for.

a. Deposits

At year end, the carrying amount of the City's deposits totaled \$1,955,583 and the bank balances totaled \$6,517,095. The carrying amount of the Component Unit's deposits totaled \$681,978, and the bank balances totaled \$705,189.

	Primary Government	Component Unit
Category 1		
Deposits covered by federal depository insurance, or by collateral held by the City, or its agent, in the City's name.	\$ 3,519,830	\$ 394,490
Category 2		
Deposits covered by collateral held by the pledging financial institution's trust department, or by its agents, in the City's name.	-	-
Category 3		
Deposits covered by collateral held by the pledging financial institution, or its trust department, or its agent but not in the City's name, and deposits which are uninsured and uncollateralized.	2,997,265	310,699
TOTAL DEPOSITS	<u>\$ 6,517,095</u>	<u>\$ 705,189</u>

b. Investments

The City's investments are categorized to give an indication of the level of custodial credit risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty in the City's name, or held by any third party but not in the City's name.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

	Fair Value/Carrying Amount			
	Category			
	1	2	3	Totals
<u>Primary Government</u>				
U.S. Government Securities	\$ 29,463,365	\$ -	\$ -	\$ 29,463,365
* Illinois Metropolitan Investment Fund				1,976,075
* Mutual Funds				24,702,228
* Life insurance contracts and separate accounts				1,104,693
* Illinois Funds				5,075,549
TOTAL INVESTMENTS				\$ 62,321,910
<u>Component Unit</u>				
* Mutual Funds				\$ 408,957

*(Not subject to risk categorization)

The pension trust funds own approximately 100 percent of the investments in Category 1.

4. RECEIVABLES - TAXES

Property taxes for 2002 attach as an enforceable lien on January 1, 2002 on property values assessed as of the same date. Taxes are levied in December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on May 1, 2003 and August 1, 2003 and are payable in two installments, on June 1, 2003 and September 1, 2003. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 0.5 percent of the tax levy to reflect actual collection experience. The 2002 taxes are intended to finance the 2004 fiscal year and are not considered available for current operations and are, therefore, shown as deferred revenue. The 2003 tax levy has not been recorded as a receivable at April 30, 2003, as the tax attached as a lien on property as of January 1, 2003, however, the tax will not be levied until December 2003 and, accordingly, is not measurable at April 30, 2003.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. FIXED ASSETS

a. General Fixed Assets Account Group

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balances May 1	Additions	Retirements	Balances April 30
<u>Primary Government</u>				
Land	\$ 6,169,149	\$ 5,258,557	\$ -	\$ 11,427,706
Buildings	28,704,083	626,588	-	29,330,671
Equipment	3,636,371	166,658	-	3,803,029
Land improvements	9,495,631	-	-	9,495,631
TOTAL	\$ 48,005,234	\$ 6,051,803	\$ -	\$ 54,057,037

	Balances May 1	Additions	Retirements	Balances April 30
<u>Component Unit</u>				
Land	\$ 500,000	\$ -	\$ -	\$ 500,000
Buildings	2,209,135	5,256	-	2,214,391
Contents	511,847	43,405	-	555,252
TOTAL	\$ 3,220,982	\$ 48,661	\$ -	\$ 3,269,643

b. Proprietary Fixed Assets

The following is a summary of proprietary fund-type fixed assets as of the date of this report:

	Enterprise Fund	Internal Service
Land	\$ 4,981,323	\$ -
Buildings, system, and equipment	62,555,576	10,457,390
Total	67,536,899	10,457,390
Less accumulated depreciation	32,924,955	7,907,366
NET FIXED ASSETS	\$34,611,944	\$ 2,550,023

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. FIXED ASSETS (Continued)

b. Proprietary Fixed Assets (Continued)

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Buildings, system, and equipment	4 - 60 years
----------------------------------	--------------

6. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City is self-insured for the City insurance and is involved in a risk management agency for all other insurance. The City had established a risk financing fund, Insurance (Fund) for various risks. It was accounted for as an internal service fund where assets are set aside for claim settlements. Under this program, the Fund provides coverage up to a maximum of \$100,000 for each general liability claim, \$300,000 for each workers' compensation claim, \$50,000 for each property damage claim, and \$75,000 for each health claim.

The City purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

All funds of the City participate and make payments to the Fund based upon actuarial estimates of the amounts needed to pay prior and current-year claims. Liabilities of the Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	2003	2002
CLAIMS PAYABLE, MAY 1	\$ 1,350,767	\$ 1,317,599
Add claims incurred	1,377,931	2,446,163
Less claims paid	(2,416,855)	(2,412,995)
CLAIMS PAYABLE, APRIL 30	<u>\$ 311,843</u>	<u>\$ 1,350,767</u>

As of April 30, 2003, the Insurance Fund was closed to the General Fund.

6. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA)

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

The City's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

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

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

7. LONG-TERM DEBT

General Obligation Bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Debt Service General Obligation Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30
\$8,200,000, 1993 General Obligation Corporate Purpose Bonds, due in annual installments of \$260,000 to \$660,000 through 2023; interest at 4.8% to 8.0%	Debt Service	\$ 375,000	\$ -	\$ 375,000	\$ -
\$4,975,000, 1996 General Obligation Corporate Purpose Bonds, due in annual installments of \$120,000 to \$1,225,000 through 2004; interest at 3.40% to 4.25%	Debt Service	1,575,000	-	1,110,000	465,000
\$3,450,000, 1997 General Obligation Corporate Purpose Bonds, due in annual installments of \$125,000 to \$575,000 through 2011; interest at 4.4% to 4.6%	Debt Service	2,000,000	-	300,000	1,700,000
\$3,030,000, 1998 General Obligation Corporate Purpose Bonds, due in annual installments of \$50,000 to \$800,000 through December 30, 2008, interest at 4.000% to 4.125%	Debt Service	2,280,000	-	800,000	1,480,000
\$3,000,000, 1999 General Obligation Corporate Purpose Bonds, due at maturity on December 31, 2003, interest at LIBOR plus .3% times 65.00%	Debt Service	2,498,477	-	1,297,842	1,200,635

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Debt Service General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refunding	Balances April 30
\$6,285,000, 2001 General Obligation-Refunding Bonds, due at maturity on December 31, 2013, interest at 4.70% to 4.75%	Debt Service	\$ 6,285,000	\$ -	\$ 5,000	\$ 6,280,000
\$8,500,000, 2002 General Obligation Bonds, due at maturity on December 31, 2023, interest at 3.00% to 4.00%	Debt Service	-	8,500,000	-	8,500,000
TOTAL		\$15,013,477	\$ 8,500,000	\$ 3,887,842	\$19,625,635

Water Fund General Obligation Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30
\$1,420,000, 1997 General Obligation Corporate Purpose Bonds, due in annual installments of \$45,000 to \$110,000 through 2018; interest at 4.40% to 4.75%	Water Fund	\$1,285,000	\$ -	\$ 50,000	\$ 1,235,000
\$1,100,000, 1998 General Obligation Corporate Purpose Bonds, due in annual installments of \$25,000 to \$100,000, through December 30, 2021; interest at 4.00% to 4.25%	Water Fund	1,055,000	-	45,000	1,010,000

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Water Fund General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30
\$1,000,000, 1999 General Obligation Corporate Purpose Bonds, due in annual installments of \$55,000 to \$105,000 through 2013; interest at 4.80% to 5.00%	Water Fund	\$ 1,000,000	\$ -	\$ 20,000	\$ 980,000
\$1,600,000, 2000 General Obligation Corporate Purpose Bonds, due in annual installments of \$35,000 to \$125,000 through 2020; interest at 4.875% to 5.375%	Water Fund	1,565,000	-	55,000	1,510,000
\$3,715,000, 2001 General Obligation Refunding Bonds, due at maturity on December 30, 2013, interest at 4.70% to 4.75%	Water Fund	3,715,000	-	705,000	3,010,000
\$1,500,000, 2002 General Obligation Bonds, due at maturity on December 31, 2023, interest at 3.00% to 4.00%	Water Fund	-	1,500,000	-	1,500,000
TOTAL		\$ 8,620,000	\$ 1,500,000	\$ 875,000	\$ 9,245,000

Country Club Fund General Obligation Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30
\$170,000, 1998 General Obligation Corporate Purpose Bonds, due in annual installments of \$5,000 to \$25,000 through December 30, 2013; interest at 4.10% to 4.125%	Country Club Fund	\$ 165,000	\$ -	\$ 5,000	\$ 160,000

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

General Obligation Bonds (Continued)

Country Club Fund General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30
\$1,000,000, 1999 General Obligation Corporate Purpose Bonds, due in annual installments of \$20,000 to \$195,000, through 2013; interest at 4.80% to 5.00%	Country Club Fund	\$ 945,000	\$ -	\$ 55,000	\$ 890,000
\$900,000, 2000 General Obligation Corporate Purpose Bonds, due in annual installments of \$15,000 to \$95,000 through 2011; interest at 4.875% to 5.375%	Country Club Fund	885,000	-	30,000	855,000
TOTAL		\$ 1,995,000	\$ -	\$ 90,000	\$ 1,905,000

Component Unit

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30
\$700,000, 1998 Installment Note due in monthly installments of \$7,292 through April 19, 2006; interest at 4.40%	Public Library	\$ 187,278	\$ -	\$ 117,617	\$ 69,661

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30	General Obligation Bonds	
	Primary Government	Component Unit
2004	\$ 6,052,698	\$ 70,610
2005	4,275,436	-
2006	3,677,894	-
2007	3,026,684	-

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30	General Obligation Bonds	
	Primary Government	Component Unit
2008	\$ 2,977,226	\$ -
2009	2,911,200	-
2010	2,582,688	-
2011	2,617,904	-
2012	2,391,541	-
2013	2,179,154	-
2014	2,004,576	-
2015	891,581	-
2016	900,281	-
2017	452,256	-
2018	450,669	-
2019	473,250	-
2020	354,300	-
2021	355,119	-
2022	221,000	-
2023	118,450	-
TOTAL PRINCIPAL AND INTEREST	\$38,913,907	\$ 70,610
INTEREST PORTION	\$ 8,138,271	\$ 949

Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in liabilities reported in the general long-term debt account group:

	Balances May 1	Additions	Reductions	Balances April 30
<u>Primary Government</u>				
Compensated absences	\$ 1,294,347	\$ -	\$ 61,362	\$ 1,232,985
Net pension obligation	-	189,515	-	189,515
General obligation bonds	15,013,477	8,500,000	3,887,842	19,625,635
TOTAL PRIMARY GOVERNMENT	\$ 16,307,824	\$ 8,689,515	\$ 3,949,204	\$ 21,048,135
<u>Component Unit</u>				
Installment contract	\$ 187,278	\$ -	\$ 117,617	\$ 69,661

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Legal Debt Margin

The City is a home rule municipality.

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

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

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

Port Clinton Tax Increment Financing Project

On May 11, 1981, the City adopted a Downtown Redevelopment Plan and Project (Redevelopment Plan) and adopted tax increment financing pursuant to the Real Property Tax Increment Allocation Redevelopment Act of the State of Illinois (Act) as a means of inducing developer participation in the Redevelopment Plan.

The Redevelopment Plan provides that the redevelopment occur in phases. Phase I designated a target block to be developed into retail and office space. Future phases would depend on the success of the first phase.

On September 3, 1982, the City entered into a lease agreement (Lease) with a developer, Port Clinton Associates (PCA), to develop the target block. The Lease provides that PCA construct and manage the retail and office space, at its cost, for a 99-year period and construct for the City, at its cost, an underground parking facility and plaza. The Lease calls for the City to finance the operation and maintenance of the parking facility and plaza.

The Lease provides for a minimum rental payment of \$300,000 for the initial three-year period of the Lease, which payment was received during fiscal years 1983 and 1984 and recorded as revenue in the General Corporate Fund. In addition, rent during this period and for future periods was and shall be based upon 50% of the first \$400,000 of annual net cash flow of PCA, as defined in the Lease, plus 10% of annual net cash flow in excess of \$600,000. For the year ended April 30, 1993, \$2,032 was distributed to the City from PCA. No payments have been made by PCA since that time. The Lease provides for a purchase option of the land on which PCA facilities are constructed at various times during the Lease (beginning during the seventh year) at a price equal to the greater of \$3,000,000 or the fair market value of the land.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Port Clinton Tax Increment Financing Project (Continued)

In order to finance the City's share of the construction costs and the purchase price of the land itself, the City issued two issues of general obligation bonds in December 1981 (1981 Series) and October 1982 (1982 Series) in the amounts of \$6,600,000 and \$5,250,000, respectively. On June 1, 1984, the City issued \$6,200,000 in general obligation bonds (1984 Series), \$5,991,900 of which was used for the in-substance defeasance of \$5,600,000 of the above mentioned 1981 Series. The 1984 Series bonds matured in 1997. On December 1, 1987, the City issued \$4,320,000 of general obligation bonds (1987 A Series), \$4,154,611 of which was used for the in-substance defeasance of \$4,950,000 of the above mentioned 1982 Series. The 1987A Series bonds matured during 1995.

As noted above, the City adopted tax increment financing as part of the Redevelopment Plan. In this regard, the incremental taxes attributable to the increase in the current equalized value of the target block property over and above the initial equalized value of the property will be used to fund the debt service on the above mentioned general obligation bonds and redevelopment costs.

Since inception of the project, the City has received approximately \$19,275,000 of incremental property taxes. These revenues have been recorded in the Tax Increment Financing G.O. Bonds 1981 Capital Projects Fund. In addition to the above, \$2,347,345 (representing the rental payments mentioned above and \$2,047,345 in sales tax receipts) has been transferred to this 1981 Fund from the General Corporate Fund. Prior to fiscal 1988, the City had recorded the \$2,347,345 as operating transfers from the General Corporate Fund. During fiscal 1988, the City reversed the operating transfers and established an interfund liability in accordance with its intent to reimburse the General Corporate Fund for these advances. During fiscal 2000, the Tax Increment Financing G.O. Bonds 1981 Capital Projects Fund reimbursed \$175,000 to the General Corporate Fund (\$1,739,558 has been reimbursed since inception). The net amount (\$607,787) is reflected as an interfund payable to the General Corporate Fund (\$579,676) and the Debt Service Fund (\$28,111) in the accompanying financial statements.

In December 1999, the City adopted an ordinance approving the second amendment to the District. This amendment reduced the boundary of the District, thereby releasing \$36,000,000 in equalized assessed valuations to the other taxing districts. In January 2000, the City adopted an ordinance approving the third amendment to the redevelopment plan. This amendment extended the life of the District to the year 2004 and added additional property.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

Advance Refunding

On December 15, 2001, the City issued \$10,000,000 General Obligation Refunding Bonds, Series 2001. The proceeds of the bonds were used to advance refund, through an in-substance defeasance, \$5,635,000 of the General Obligation Bond Series 1993A, \$3,830,000 of the general obligation refunding bond series 1994 and \$570,000 of the general obligation bond, Series 1996. Of the proceeds, \$10,126,949 has been deposited into an irrevocable trust to advance refund, through an in-substance defeasance, \$5,635,000 of the General Obligation Bond, Series 1993A, \$3,830,000 of the General Obligation Refunding Bond Series 1994 and \$570,000 of the General Obligation Bond Series 1996. As a result, the Series 1993A, the Series 1994 and the Series 1996 are considered defeased and the escrowed assets and the liability for the bonds have been removed from these financial statements.

The City advance refunded these bonds to reduce its total debt service by approximately \$245,070 and to provide for an economic gain of approximately \$213,309. At April 30, 2002, \$5,635,000 of the 1993A Series, \$3,830,000 of the 1994 Series, and \$570,000 of the 1996 series are outstanding.

Noncommitment Debt

Special Assessment Bonds Payable

As of April 30, 2003, the City had outstanding \$130,000 of special assessment bonds representing the nonpublic benefit portion of the originally issued special assessment debt, which is to be repaid solely by collections from property owners. Accordingly, the City is not obligated in any manner for the portion of special assessments to be collected from property owners; as such, this portion is not recorded in the amounts of the City. The City's duties are limited to acting as an agent for the property owners in collecting the assessments and forwarding the collections to the bondholders. Repayment activity related to the nonpublic benefit portion of the special assessment debt is recorded in an agency fund.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General		
General Corporate	Water	\$ 1,276,548
	Motor Vehicle Parking System	122,331
	Water	45,046
	Capital Projects	579,676
		<u>2,023,601</u>
Special Revenue		
Street and Bridge	General Corporate	34
Street and Bridge	Motor Fuel Tax	862,419
		<u>862,453</u>
Debt Service		
Debt Service	Capital Projects	<u>28,111</u>
Capital Projects		
Public Facilities	General Corporate	422,141
2002 General Obligation Bonds	General Corporate	1,170,118
	Motor Vehicle Parking System	1,736,503
	Water	621,024
	Capital Projects	888,370
		<u>4,838,156</u>
Enterprise		
Motor Vehicle Parking System	General Corporate	1,325,903
Water	General Corporate	729,658
	Motor Vehicle Parking System	39,049
		<u>2,094,609</u>
Trust and Agency		
Guaranteed Deposits	Street and Bridge	<u>1,360,902</u>
		<u>\$ 11,207,832</u>

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. SEGMENT INFORMATION - ENTERPRISE FUNDS

The City maintains the following enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of the date of this report and for the fiscal year is as follows:

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
Operating revenues	\$ 730,483	\$ 7,300,274	\$ 3,364,511	\$ 11,395,268
Depreciation expense	725,450	2,776,187	440,848	3,942,485
Operating income (loss)	(391,848)	1,520,017	93,103	1,221,272
Operating transfers (out)	(82,800)	(818,367)	(100,000)	(1,001,167)
Net income (loss)	186,538	282,286	(436,096)	32,728
Plant, property, and equipment				
Additions	1,206,204	3,022,502	-	4,228,706
Total assets	8,701,484	23,547,485	9,240,439	41,489,408
Net working capital	961,009	1,527,928	(266,967)	2,221,970
Bonds and other long-term				
liabilities	-	9,245,000	1,905,000	11,150,000
Total equity	6,784,142	11,979,838	6,963,989	25,727,969

10. CONTRIBUTED CAPITAL

During the fiscal year, contributed capital increased/decreased by the following amounts:

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
Increases	\$ -	\$ -	\$ -	\$ -
Decreases				
Depreciation	121,209	116,895	251,178	489,282
Net Increase (Decrease)	(121,209)	(116,895)	(251,178)	(489,282)
Contributed Capital				
May 1	2,728,203	1,670,295	7,534,343	11,932,841
April 30	\$ 2,606,994	\$ 1,553,400	\$ 7,283,165	\$ 11,443,559

11. CONTINGENT LIABILITIES

a. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

12. DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2.00% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2002 was 5.58% of covered payroll.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2002, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	47
Current employees	
Vested	58
Nonvested	-
	<hr/>
TOTAL	105

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2003, the City's contribution was 18.86% of covered payroll.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund. At April 30, 2002, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	33
Current employees	
Vested	54
Nonvested	-
	<hr/>
TOTAL	87

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years of service through 30 years of service, to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter.

Covered employees are required to contribute 8.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2003, the City's contribution was 23.31% of covered payroll.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DEFINED BENEFIT PENSION PLANS (Continued)

b. Significant Investments

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

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2000	April 30, 2002	April 30, 2002
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Closed	31 Years, Closed	31 Years, Closed
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	8.00% Compounded Annually	8.00% Compounded Annually
b) Projected salary increase - Attributable to inflation	4.00% Compounded Annually	6.00% Compounded Annually	6.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 to 11.60%	Not Available	Not Available

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

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

	Calendar Year	Illinois Municipal Retirement	Fiscal Year	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2000	\$ 567,019	2001	\$ 297,802	\$ 711,655
	2001	1,021,646	2002	376,640	890,938
	2002	600,600	2003	1,141,952	1,246,923
Actual contribution	2000	\$ 567,019	2001	\$ 735,964	\$ 671,875
	2001	1,021,646	2002	678,818	721,224
	2002	600,600	2003	337,684	771,936
Percentage of APC contributed	2000	100.00%	2001	247.13%	94.41%
	2001	100.00	2002	180.23	80.95
	2002	100.00	2003	29.57	61.91
NPO (Asset)	2000	\$ -	2002	\$ (715,606)	\$ (455,186)
	2001	-	2001	(1,017,784)	(285,472)
	2002	-	2003	(213,517)	189,515

The net pension obligation (asset) at April 30, 2003, has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,141,951	\$ 1,246,923
Interest on net pension obligation	(5,222)	(39,597)
Adjustment to annual required contribution	5,222	39,597
Annual pension cost	1,141,951	1,246,923
Contributions made	337,684	771,936
Increase (decrease) in net pension obligation (asset)	804,267	474,987
Net pension obligation (asset) beginning of year	(1,017,784)	(285,472)
NET PENSION OBLIGATION (ASSET) END OF YEAR	\$ (213,517)	\$ 189,515

13. HIGHLAND PARK COUNTRY CLUB FUND

The Highland Park Country Club Fund was created in fiscal 1993 pursuant to City ordinance and classified as an enterprise fund. The Highland Park Country Club Fund is utilized for the purpose of recording the activity of the Highland Park Country Club (the Club) which was purchased by the City on May 6, 1993.

CITY OF HIGHLAND PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. HIGHLAND PARK COUNTRY CLUB FUND (Continued)

As of June 1, 1998, the Club is managed by American Golf Corporation, pursuant to a consulting and management agreement between the City and American Golf Corporation dated May 28, 1998. The term of the lease is for a period of five years. American is paid a fixed monthly management fee (\$7,500) plus an incentive management fee.

The City financed its purchase of the Club through the issuance of \$8,200,000 of general obligation bonds. As the debt service on the bonds is currently being met through a property tax levy, the liability for the bonds is recorded in the City's General Long-Term Debt Account Group. A corresponding amount of contributed capital is reflected on the balance sheet of the Highland Park Country Club Fund.

14. MAJOR CUSTOMERS

The Village of Deerfield and the Village of Lincolnshire purchase water from the City's available supply. During fiscal 2003, these purchases amounted to \$1,585,759, or 22%, and \$786,095 or 11%, respectively, of total operating revenues in the Water Fund.

15. PRIOR PERIOD ADJUSTMENT

Fund balance of the governmental funds in the fund financial statements have been restated as of the beginning of the year for the effect of implementing GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This resulted in a net increase of fund balance in the general fund of \$2,290,954 and a net increase in the special revenue funds of \$149,120.

Fund balance in the General Fund was restated to correct recording compensated absences in the General Fund. This resulted in a net increase in fund balance of \$1,174,721. Fund balance in the Capital Projects Funds was restated to correct an error regarding grant revenue recognition. This resulted in a net decrease in fund balance of \$200,000.

Fund balances in the Capital Projects Funds were also restated to correct an error in the recognition of a note receivable from an outside party. This resulted in an increase of fund balance of \$437,500.

CITY OF HIGHLAND PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2003

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) Unfunded (Overfunded) AAL (UAAL) As a Percentage of Covered Payroll (4) / (5)
1997	\$ 21,804,281	\$ 21,371,906	102.02%	\$ (432,375)	\$ 8,216,799	(5.26%)
1998	24,217,374	22,895,891	105.77%	(1,321,483)	8,527,119	(15.50%)
1999	22,370,583	22,445,186	99.67%	74,603	9,039,959	0.83%
2000	25,572,806	23,385,998	109.35%	(2,186,808)	8,957,641	(24.41%)
2001	25,896,348	23,292,988	111.18%	(2,603,360)	9,957,567	(26.14%)
2002	27,941,596	26,008,090	107.43%	(1,933,506)	10,763,436	(17.96%)

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 POLICE PENSION FUND

April 30, 2003

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets		(2) Actuarial Liability (AAL) - Entry Age		(3) Funded Ratio (1) / (2)		(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)		(5) Covered Payroll		(6) Unfunded (Overfunded) AAL (UAAL) As a Percentage of Covered Payroll (4) / (5)	
1997	\$	20,469,308	\$	24,090,956	84.97%	\$	3,621,648	\$	3,384,792		107.00%	
1998		22,585,377		26,078,431	86.61%		3,493,054		3,159,740		110.55%	
1999		24,854,667		26,972,975	92.15%		2,118,308		3,157,705		67.08%	
2000		25,984,060		26,147,176	99.38%		163,116		4,340,489		3.76%	
2001		25,967,286		26,693,713	97.28%		726,427		3,456,949		21.01%	
2002		24,787,364		31,486,500	78.72%		6,699,136		3,595,205		186.34%	

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FIREFIGHTERS' PENSION FUND

April 30, 2003

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) Unfunded (Overfunded) AAL (UAAL) As a Percentage of Covered Payroll (4) / (5)
1997	\$ 17,381,275	\$ 19,851,399	87.56%	\$ 2,470,124	\$ 2,560,035	96.49%
1998	19,425,688	20,900,744	92.94%	1,475,056	2,836,351	52.01%
1999	20,464,015	21,857,090	93.63%	1,393,075	3,003,840	46.38%
2000	21,415,496	24,577,502	87.13%	3,162,006	3,245,585	97.42%
2001	21,763,375	25,949,396	83.87%	4,186,021	3,227,978	129.68%
2002	21,805,487	28,942,586	75.34%	7,137,099	3,430,569	208.04%

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2003

Actuarial Valuation Date <u>December 31</u>	Employer Contributions	Annual Pension Cost (APC)	Percentage Contributed
1997	\$ 751,604	\$ 751,604	100.00%
1998	741,007	741,007	100.00%
1999	719,580	719,580	100.00%
2000	567,019	567,019	100.00%
2001	1,021,646	1,021,646	100.00%
2002	600,600	600,600	100.00%

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2003

Actuarial Valuation Date <u>April 30</u>	Employer Contributions	Annual Pension Cost (APC)	Percentage Contributed
1998	\$ 532,415	\$ 675,598	78.81%
1999	629,234	417,061	150.87%
2000	735,964	297,802	247.13%
2001	678,818	376,640	180.23%
2002	337,684	1,141,952	29.57%
2003	408,430	N/A	N/A

N/A - Information for this year is not yet available.

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

April 30, 2003

Actuarial Valuation Date <u>April 30</u>	Employer Contributions	Annual Pension Cost (APC)	Percentage Contributed
1998	\$ 494,076	\$ 510,306	96.82%
1999	603,930	623,103	96.92%
2000	671,875	711,655	94.41%
2001	721,224	890,938	80.95%
2002	771,936	1,246,923	61.91%
2003	953,777	N/A	N/A

N/A - Information for this year is not yet available.

(See independent auditor's report.)

GENERAL CORPORATE FUND

The General Corporate Fund is used to account for most of the current day-to-day operations of the Government which are financed from property taxes and other general revenues. Activities financed by the General Corporate Fund include those of line and staff departments within the Government except for activities of the Enterprise Funds.

CITY OF HIGHLAND PARK, ILLINOIS

BALANCE SHEET
GENERAL CORPORATE FUND

April 30, 2003

ASSETS

Cash	\$ 827,027
Investments	6,394,070
Receivables	
Property taxes	1,662,289
State of Illinois	2,788,832
Other	1,077,777
Due from other funds	2,023,601
Other	43,436
	<hr/>
TOTAL ASSETS	<u>\$ 14,817,032</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 421,488
Accrued payroll	305,403
Accrued insurance claims	311,843
Due to other funds	3,477,735
Deferred revenues	1,662,289
	<hr/>

Total liabilities	<u>6,178,758</u>
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FUND BALANCE

Unreserved - undesignated	<u>8,638,274</u>
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Total fund balance	<u>8,638,274</u>
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TOTAL LIABILITIES AND
FUND BALANCE

\$ 14,817,032

See accompanying notes to financial statements.

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CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
<hr/> REVENUES <hr/>			
Property taxes	\$ 1,321,300	\$ 1,323,977	\$ 2,677
Illinois state replacement taxes	140,000	96,335	(43,665)
Licenses	142,416	165,908	23,492
Permits	1,289,900	1,436,609	146,709
Charges for current services	886,279	739,804	(146,475)
Municipal sales tax	10,279,682	10,014,358	(265,324)
Fines and forfeitures	294,987	346,179	51,192
Utility tax	3,550,173	3,743,805	193,632
Fire insurance tax	55,000	-	(55,000)
Cable television franchise tax	377,122	359,946	(17,176)
Real estate transfer tax	1,868,500	2,000,860	132,360
Investment income	861,638	466,827	(394,811)
Illinois state income tax	2,225,816	1,913,363	(312,453)
PACE R.T.A. fare reimbursement	870,000	892,506	22,506
Franchise tax	129,751	44,385	(85,366)
Other taxes	696,575	627,843	(68,732)
Miscellaneous			
Sale of assets	-	327,325	327,325
Other	122,654	496,482	373,828
Total revenues	25,111,793	24,996,512	(115,281)
<hr/> EXPENDITURES <hr/>			
Current			
General government	8,406,743	8,166,203	240,540
Public safety	13,005,610	12,700,289	305,321
Public works	2,859,632	2,947,438	(87,806)
Other charges	1,184,098	1,066,301	117,797
Total expenditures	25,456,083	24,880,231	575,852
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(344,290)	116,281	460,571

(This statement is continued on the following page.)

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Motor Vehicle Parking Fund	\$ 82,800	\$ 82,800	\$ -
Water Fund	549,000	549,000	-
Highland Park Country Club	-	100,000	100,000
Operating transfers (out)			
Street and Bridge Fund	(1,650,000)	(1,650,000)	-
Crossing Guard Fund	(35,000)	(35,000)	-
Tax Increment Financing General Obligation			
Bonds 1981 Fund	(165,000)	(330,000)	(165,000)
2002 General Obligation Bonds Fund	-	(86,934)	(86,934)
IMRF Fund	(200,000)	(200,000)	-
Total other financing sources (uses)	(1,418,200)	(1,570,134)	(151,934)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (1,762,490)	(1,453,853)	\$ 308,637
FUND BALANCE, MAY 1		6,634,700	
Prior period adjustment		3,465,675	
FUND BALANCE, MAY 1, RESTATED		10,100,375	
Residual equity transfer in		151,729	
Residual equity transfer in (out)		(159,977)	
FUND BALANCE, APRIL 30		\$ 8,638,274	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT			
Legislative			
Personal services	\$ 78,641	\$ 72,607	\$ 6,034
Contractual services	25,465	14,904	10,561
Materials and supplies	10,400	7,884	2,516
Capital outlay	-	11,656	(11,656)
Total legislative	114,506	107,051	7,455
Executive			
Personal services	642,888	615,951	26,937
Contractual services	145,928	189,121	(43,193)
Materials and supplies	5,344	29,188	(23,844)
Capital outlay	1,700.00	1,438	262
Total executive	795,860	835,698	(39,838)
City Clerk			
Personal services	74,152	69,806	4,346
Contractual services	22,069	15,896	6,173
Materials and supplies	300	2,324	(2,024)
Total City Clerk	96,521	88,026	8,495
Legal department			
Personal services	16,000	11,615	4,385
Contractual services	1,357,000	1,498,486	(141,486)
Materials and supplies	-	587	(587)
Total legal department	1,373,000	1,510,688	(137,688)
Finance administration and accounting			
Personal services	552,301	564,963	(12,662)
Contractual services	120,124	125,218	(5,094)
Materials and supplies	28,850	8,825	20,025
Total finance administration and accounting	701,275	699,006	2,269

(This schedule is continued on the following pages.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT (Continued)			
Boards and commissions			
Contractual services	\$ 238,239	\$ 121,054	\$ 117,185
Materials and supplies	12,345	10,277	2,068
Total Boards and commissions	250,584	131,331	119,253
Youth and senior centers			
Personal services	441,685	446,297	(4,612)
Contractual services	171,140	185,449	(14,309)
Materials and supplies	9,990	4,284	5,706
Capital outlay	10,000	9,002	998
Total youth and senior centers	632,815	645,032	(12,217)
Community Development Department			
Personal services	588,950	602,390	(13,440)
Contractual services	155,131	86,042	69,089
Materials and supplies	14,945	14,307	638
Capital outlay	1,400	1,400	-
Total Community Development Department	760,426	704,139	56,287
Insurance			
Contractual services			
Payment to Insurance Fund	2,781,756	2,781,756	-
Liability insurance	900,000	663,476	236,524
Total insurance	3,681,756	3,445,232	236,524
TOTAL GENERAL GOVERNMENT	\$ 8,406,743	\$ 8,166,203	\$ 240,540
PUBLIC SAFETY			
Police Department			
Personal services	\$ 5,422,158	\$ 5,066,546	\$ 355,612
Contractual services	715,448	767,807	(52,359)
Materials and supplies	123,345	134,452	(11,107)
Capital outlay	50,025	48,716	1,309
Commodities	38,058	9,971	28,087
Pension cost	921,000	927,135	(6,135)
Total Police Department	7,270,034	6,954,627	315,407

(This schedule is continued on the following pages.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC SAFETY (Continued)			
Fire Department			
Personal services	\$ 3,858,926	\$ 3,878,254	\$ (19,328)
Contractual services	376,319	377,338	(1,019)
Materials and supplies	40,000	43,178	(3,178)
Capital outlay	42,115	69,881	(27,766)
Pension cost	400,300	396,842	3,458
Total Fire Department	4,717,660	4,765,493	(47,833)
Community Development Department			
Personal services	884,105	861,665	22,440
Contractual services	118,051	103,437	14,614
Materials and supplies	14,760	14,098	662
Capital outlay	1,000	969	31
Total Community Development Department	1,017,916	980,169	37,747
TOTAL PUBLIC SAFETY	\$ 13,005,610	\$ 12,700,289	\$ 305,321
PUBLIC WORKS			
Public works administration			
Personal services	\$ 166,780	\$ 182,425	\$ (15,645)
Contractual services	41,315	39,946	1,369
Materials and supplies	11,300	13,145	(1,845)
Total public works administration	219,395	235,516	(16,121)
Building maintenance			
Personal services	185,083	191,358	(6,275)
Contractual services	351,269	445,086	(93,817)
Materials and supplies	117,224	191,200	(73,976)
Capital outlay	203,050	201,896	1,154
Total building maintenance	856,626	1,029,540	(172,914)
Transportation			
Personal services	744,863	708,275	36,588
Contractual services	105,550	105,665	(115)
Materials and supplies	30,300	27,781	2,519
Total transportation	880,713	841,721	38,992

(This schedule is continued on the following page.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
PUBLIC WORKS (Continued)			
Engineering			
Personal services	\$ 772,941	\$ 710,284	\$ 62,657
Contractual services	125,157	123,283	1,874
Materials and supplies	3,700	3,475	225
Capital outlay	1,100	3,619	(2,519)
Total engineering	902,898	840,661	62,237
TOTAL PUBLIC WORKS	<u>\$ 2,859,632</u>	<u>\$ 2,947,438</u>	<u>\$ (87,806)</u>
OTHER CHARGES			
Nondepartmental expenditures			
Contractual services	\$ 1,155,098	\$ 1,030,954	\$ 124,144
Taxes and special accounts	29,000	35,347	(6,347)
TOTAL OTHER CHARGES	<u>\$ 1,184,098</u>	<u>\$ 1,066,301</u>	<u>\$ 117,797</u>

(See independent auditor's report.)

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account are used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government and which therefore cannot be diverted to other uses.

Street and Bridge - provides street lighting, street cleaning, snow removal, maintenance, and certain capital improvements to streets and bridges.

Crossing Guard - to provide for school guards.

Illinois Municipal Retirement - to fund the contributions due to the state retirement fund for municipal employees.

Motor Fuel Tax - underwrites the cost of some major street and bridge improvements by a transfer to street and bridge. Allotments of gasoline taxes collected by the state are the primary revenue.

Public Benefit - to underwrite the public benefit portion of special assessments.

Municipal Audit - to pay for the annual audit by independent public accountants.

Working Cash - provides advances to other funds that require cash immediately but are temporarily short on working capital.

Emergency 911 System - to pay for the City's "911" emergency telephone service.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

April 30, 2003

	Street and Bridge	Crossing Guard	Illinois Municipal Retirement
<hr/>			
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 72,047
Receivables			
Property taxes	2,309,707	-	1,137,356
Motor fuel tax allotments	-	-	-
Due from other funds	862,453	-	-
Other	168,147	-	-
	<hr/>		
TOTAL ASSETS	\$ 3,340,307	\$ -	\$ 1,209,403
<hr/>			
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 93,183	\$ -	\$ 45,146
Accrued payroll	21,262	-	-
Due to other funds	1,360,902	-	-
Deferred revenue	2,309,707	-	1,137,356
	<hr/>		
Total liabilities	3,785,054	-	1,182,502
<hr/>			
FUND BALANCES			
Reserved for working cash	-	-	-
Unreserved - undesignated (deficit)	(444,747)	-	26,901
	<hr/>		
Total fund balances (deficit)	(444,747)	-	26,901
<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,340,307	\$ -	\$ 1,209,403
	<hr/>		

Motor Fuel Tax	Public Benefit	Municipal Audit	Working Cash	Emergency 911 System	Totals
\$ 863,969	\$ -	\$ -	\$ 446,328	\$ 663,185	\$ 2,045,529
-	-	-	-	-	3,447,063
69,394	-	-	-	-	69,394
-	-	-	-	-	862,453
-	-	-	-	49,253	217,400
<u>\$ 933,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,328</u>	<u>\$ 712,438</u>	<u>\$ 6,641,839</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,798	\$ 142,127
-	-	-	-	-	21,262
862,419	-	-	-	-	2,223,321
-	-	-	-	-	3,447,063
<u>862,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,798</u>	<u>5,833,773</u>
-	-	-	446,328	-	446,328
70,944	-	-	-	708,640	361,738
<u>70,944</u>	<u>-</u>	<u>-</u>	<u>446,328</u>	<u>708,640</u>	<u>808,066</u>
<u>\$ 933,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,328</u>	<u>\$ 712,438</u>	<u>\$ 6,641,839</u>

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2003

	Street and Bridge	Crossing Guard	Illinois Municipal Retirement
REVENUES			
Property taxes	\$ 2,284,175	\$ 99,312	\$ 1,092,431
Illinois replacement taxes	-	-	51,296
Licenses and permits	661,747	-	-
Charges for current services	781,744	-	-
Intergovernmental	-	-	-
Investment income	-	-	207
Motor fuel tax allotments	-	-	-
Miscellaneous	121,120	-	-
Total revenues	3,848,786	99,312	1,143,934
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	149,461	-
Public works	4,811,294	-	-
Employee retirement benefits	-	-	1,618,747
Capital outlay	307,539	-	-
Total expenditures	5,118,833	149,461	1,618,747
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,270,047)	(50,149)	(474,813)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	862,419	35,000	584,477
Operating transfers (out)	(68,881)	-	-
Total other financing sources (uses)	793,538	35,000	584,477
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(476,509)	(15,149)	109,664
FUND BALANCES (DEFICIT), MAY 1	(87,864)	39,520	(82,763)
Prior period adjustment	119,626	-	-
FUND BALANCES (DEFICIT), MAY 1, RESTATED	31,762	39,520	(82,763)
Residual equity transfer in (out)	-	(24,371)	-
FUND BALANCES (DEFICIT), APRIL 30	\$ (444,747)	\$ -	\$ 26,901

Motor Fuel Tax	Public Benefit	Municipal Audit	Working Cash	Emergency 911 System	Totals
\$ -	\$ 49,656	\$ 33,104	\$ -	\$ -	\$ 3,558,678
-	-	-	-	-	51,296
-	-	-	-	-	661,747
-	-	-	-	392,856	1,174,600
-	-	-	-	117,986	117,986
6,087	166	-	-	-	6,460
856,600	-	-	-	-	856,600
-	-	-	-	-	121,120
862,687	49,822	33,104	-	510,842	6,548,487
-	-	33,350	-	138,502	171,852
-	-	-	-	-	149,461
-	-	-	-	-	4,811,294
-	-	-	-	-	1,618,747
-	-	-	-	128,139	435,678
-	-	33,350	-	266,641	7,187,032
862,687	49,822	(246)	-	244,201	(638,545)
-	-	-	-	-	1,481,896
(862,419)	-	-	-	-	(931,300)
(862,419)	-	-	-	-	550,596
268	49,822	(246)	-	244,201	(87,949)
70,676	55,838	21,944	446,328	434,945	898,624
-	-	-	-	29,494	149,120
70,676	55,838	21,944	446,328	464,439	1,047,744
-	(105,660)	(21,698)	-	-	(151,729)
\$ 70,944	\$ -	\$ -	\$ 446,328	\$ 708,640	\$ 808,066

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET AND BRIDGE FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 2,300,000	\$ 2,284,175	\$ (15,825)
Vehicle licenses	680,000	661,747	(18,253)
Charges for current services	887,500	781,744	(105,756)
Investment income	3,000	-	(3,000)
Miscellaneous	183,713	121,120	(62,593)
Total revenues	4,054,213	3,848,786	(205,427)
EXPENDITURES			
Public works			
Personal services	2,209,846	2,276,802	(66,956)
Contractual services	1,977,099	2,081,202	(104,103)
Material and supplies	410,500	453,290	(42,790)
Capital outlay	228,350	307,539	(79,189)
Total expenditures	4,825,795	5,118,833	(293,038)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(771,582)	(1,270,047)	(498,465)
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
Motor Fuel Tax Fund	866,401	862,419	(3,982)
Operating transfers (out)			
Illinois Municipal Retirement Fund	(68,881)	(68,881)	-
Total other financing sources (uses)	797,520	793,538	(3,982)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 25,938	(476,509)	\$ (502,447)
FUND BALANCE (DEFICIT), MAY 1		(87,864)	
Prior period adjustment		119,626	
FUND BALANCE, MAY 1, RESTATED		31,762	
FUND BALANCE (DEFICIT), APRIL 30		\$ (444,747)	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CROSSING GUARD FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 100,000	\$ 99,312	\$ (688)
Total revenues	100,000	99,312	(688)
EXPENDITURES			
Public safety			
Personal services	155,192	148,714	6,478
Commodities	750	638	112
Reserve and contingencies	3,288	109	3,179
Total expenditures	159,230	149,461	9,769
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(59,230)	(50,149)	9,081
OTHER FINANCING SOURCES (USES)			
Operating transfers in	35,000	35,000	-
Total other financing sources (uses)	35,000	35,000	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (24,230)</u>	(15,149)	<u>\$ 9,081</u>
FUND BALANCE, MAY 1		39,520	
Residual equity transfer in (out)		(24,371)	
FUND BALANCE, APRIL 30		<u>\$ -</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 1,100,000	\$ 1,092,431	\$ (7,569)
Illinois replacement taxes	55,000	51,296	(3,704)
Investment income	3,000	207	(2,793)
Total revenues	1,158,000	1,143,934	(14,066)
EXPENDITURES			
Employee retirement benefits			
Payments to Illinois Municipal Retirement Fund	1,820,749	1,618,747	202,002
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(662,749)	(474,813)	187,936
OTHER FINANCING SOURCES (USES)			
Operating transfers in			
General Fund	200,000	200,000	-
Street and Bridge Fund	68,881	68,881	-
Water Fund	269,367	269,367	-
Insurance Fund	46,229	46,229	-
Total other financing sources (uses)	584,477	584,477	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
	<u>\$ (78,272)</u>	109,664	<u>\$ 187,936</u>
FUND BALANCE (DEFICIT), MAY 1			
		<u>(82,763)</u>	
FUND BALANCE, APRIL 30			
		<u>\$ 26,901</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment income	\$ 7,000	\$ 6,087	\$ (913)
Motor fuel tax allotments	859,401	856,600	(2,801)
Total revenues	866,401	862,687	(3,714)
EXPENDITURES			
None	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	866,401	862,687	(3,714)
OTHER FINANCING SOURCES (USES)			
Operating transfers (out)			
Street and Bridge Fund	(866,401)	(862,419)	3,982
Total other financing sources (uses)	(866,401)	(862,419)	3,982
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	268	<u>\$ 268</u>
FUND BALANCE, MAY 1		<u>70,676</u>	
FUND BALANCE, APRIL 30		<u>\$ 70,944</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC BENEFIT FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 50,000	\$ 49,656	\$ (344)
Investment income	-	166	166
Total revenues	50,000	49,822	(178)
EXPENDITURES			
Capital outlay			
Reserve	105,655	-	105,655
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (55,655)</u>	49,822	<u>\$ 105,477</u>
FUND BALANCE, MAY 1		55,838	
Residual equity transfer in (out)		<u>(105,660)</u>	
FUND BALANCE, APRIL 30		<u>\$ -</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Property taxes	\$ 20,000	\$ 33,104	\$ 13,104
Total revenues	<u>20,000</u>	<u>33,104</u>	<u>13,104</u>
EXPENDITURES			
General government			
Contractual services	33,400	33,350	50
Reserve and contingencies	<u>8,517</u>	<u>-</u>	<u>8,517</u>
Total expenditures	<u>41,917</u>	<u>33,350</u>	<u>8,567</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (21,917)</u>	<u>(246)</u>	<u>\$ 21,671</u>
FUND BALANCE, MAY 1		21,944	
Residual equity transfer in (out)		<u>(21,698)</u>	
FUND BALANCE, APRIL 30		<u>\$ -</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WORKING CASH FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
None	\$ -	\$ -	\$ -
EXPENDITURES			
General government			
Reserves	221,292	-	221,292
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(221,292)	-	221,292
OTHER FINANCING SOURCES (USES)			
Operating transfer in	100,000	-	(100,000)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (121,292)</u>	-	<u>\$ 121,292</u>
FUND BALANCE, MAY 1		<u>446,328</u>	
FUND BALANCE, APRIL 30		<u>\$ 446,328</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMERGENCY 911 SYSTEM FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for current services	\$ 390,000	\$ 392,856	\$ 2,856
Intergovernmental	-	117,986	117,986
Investment income	8,000	-	(8,000)
Total revenues	398,000	510,842	112,842
EXPENDITURES			
General government			
Personal services	38,831	28,588	10,243
Contractual services	793,284	109,914	683,370
Capital outlay	56,500	128,139	(71,639)
Total expenditures	888,615	266,641	621,974
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (490,615)	244,201	\$ 734,816
FUND BALANCE, MAY 1		434,945	
Prior period adjustment		29,494	
FUND BALANCE, MAY 1, RESTATED		464,439	
FUND BALANCE, APRIL 30		\$ 708,640	

See accompanying notes to financial statements.

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the payment of interest and principal on general and special obligation debt other than that payable from special assessments and debt issued for and serviced by a governmental enterprise.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING BALANCE SHEET
DEBT SERVICE FUNDS

April 30, 2003

ASSETS	
Cash	\$ 1,277,999
Property taxes receivable	3,062,112
Due from other funds	<u>28,111</u>
TOTAL ASSETS	<u>\$ 4,368,222</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Deferred revenue	<u>\$ 3,062,112</u>
Total liabilities	<u>3,062,112</u>
FUND BALANCES	
Reserved for debt service	<u>1,306,110</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,368,222</u>

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
DEBT SERVICE FUNDS

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 3,000,000	\$ 3,029,015	\$ 29,015
Investment income	3,000	5,809	2,809
Total revenues	3,003,000	3,034,824	31,824
EXPENDITURES			
Debt service			
Principal	3,591,000	3,887,841	(296,841)
Interest and fiscal charges	601,920	576,673	25,247
Total debt service	4,192,920	4,464,514	271,594
Reserve	418,145	-	418,145
Total expenditures	4,611,065	4,464,514	146,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,608,065)	(1,429,690)	(114,727)
OTHER FINANCING SOURCES (USES)			
Tax Increment Financing			
G.O. Bonds 1981 Fund	1,600,000	2,797,841	1,197,841
Total other financing sources (uses)	1,600,000	2,797,841	1,197,841
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (8,065)	1,368,151	1,083,114
FUND BALANCES (DEFICIT), MAY 1		(62,041)	(62,041)
FUND BALANCES, APRIL 30		\$ 1,306,110	\$ 1,021,073

See accompanying notes to financial statements.

CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for all resources used for the acquisition and/or construction of capital equipment and facilities by the Government except those financed by the Enterprise and Internal Service Funds.

Tax Increment Financing General Obligation Bonds 1981 - to account for the Initial Phase acquisition, relocation, rehabilitation, and reconstruction related to the Downtown Redevelopment Plan and Project.

Street Improvements - to account for costs incurred to alleviate storm drainage problems, finance street improvements, and provide other infrastructure improvements.

2002 General Obligation Bonds - to account for \$8.5 million in bond proceeds and other intergovernmental revenue to finance land acquisition, a downtown parking structure, phase 1 of a new recreation center, and phase 1 of a new police headquarters.

Working Capital Public Facility and Improvement - the assets in this fund are to be utilized for the acquisition and/or construction of public facilities.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS

April 30, 2003

	Tax Increment Financing General Obligation Bonds 1981	Street Improvements	2002 General Obligation Bonds	Working Capital Public Facility and Improvements	Totals
ASSETS					
Cash	\$ -	\$ -	\$ 1,418,652	\$ -	\$ 1,418,652
Investments	-	-	-	49,766	49,766
Receivables					
Property taxes, net	370,358	689,354	-	-	1,059,712
Other	-	105,378	-	437,500	542,878
Due from other funds	-	-	4,416,015	422,141	4,838,156
TOTAL ASSETS	\$ 370,358	\$ 794,732	\$ 5,834,667	\$ 909,407	\$ 7,909,164
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ 190,214	\$ -	\$ -	\$ 190,214
Due to other funds	1,063,982	570,445	-	31,848	1,666,275
Deferred revenue					
Property tax	394,796	664,916	-	-	1,059,712
Refundable deposits	3,160	121,686	-	-	124,846
Total liabilities	1,461,938	1,547,261	-	31,848	3,041,047
FUND BALANCES					
Unreserved (deficit)	(1,091,580)	(752,529)	5,834,667	877,559	4,868,117
TOTAL LIABILITIES AND FUND BALANCES	\$ 370,358	\$ 794,732	\$ 5,834,667	\$ 909,407	\$ 7,909,164

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS

For the Year Ended April 30, 2003

	Tax Increment Financing General Obligation Bonds 1981	Street Improvements	2002 General Obligation Bonds	Working Capital Public Facility and Improvements	Totals
REVENUES					
Property taxes	\$ 1,133,551	\$ 818,934	\$ -	\$ -	\$ 1,952,485
Investment income	38,511	-	-	907	39,418
Grants	-	400,000	2,851,623	-	3,251,623
Total revenues	1,172,062	1,218,934	2,851,623	907	5,243,526
EXPENDITURES					
Other	-	-	-	12,500	12,500
Capital outlay	40,177	4,967,625	5,517,620	-	10,525,422
Total expenditures	40,177	4,967,625	5,517,620	12,500	10,537,922
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	1,131,885	(3,748,691)	(2,665,997)	(11,593)	(5,294,396)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	8,413,730	-	8,413,730
Operating transfers in General Fund	330,000	1,650,000	86,934	-	2,066,934
Operating transfers (out) Debt Service Fund	(2,797,841)	-	-	-	(2,797,841)
Total other financing sources (uses)	(2,467,841)	1,650,000	8,500,664	-	7,682,823
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,335,956)	(2,098,691)	5,834,667	(11,593)	2,388,427
FUND BALANCES, MAY 1	244,376	1,546,162	-	451,652	2,242,190
Prior period adjustment	-	(200,000)	-	437,500	237,500
FUND BALANCES (DEFICIT), MAY 1, RESTATED	244,376	1,346,162	-	889,152	2,479,690
FUND BALANCES (DEFICIT), APRIL 30	\$ (1,091,580)	\$ (752,529)	\$ 5,834,667	\$ 877,559	\$ 4,868,117

See accompanying notes to financial statements.

ENTERPRISE FUNDS

Motor Vehicle Parking System Fund, Water Fund, and the Highland Park Country Club Fund - to account for the acquisition, operation, and maintenance of Government-owned parking, water facilities and services, golf course and other Government-owned facilities which are entirely or predominantly self-supported by user charges. The operation of these funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprises.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING BALANCE SHEET
ENTERPRISE FUNDS

April 30, 2003

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
ASSETS				
CURRENT ASSETS				
Cash	\$ 1	\$ 1	\$ 39,981	\$ 39,983
Investments	1,552,278	1,585,688	-	3,137,966
Receivables				
Billed	-	739,111	311	739,422
Unbilled	-	775,437	-	775,437
Other	169	671	-	840
Due from other funds	1,325,903	768,706	-	2,094,609
Inventories	-	-	85,407	85,407
Prepaid expenses	-	-	3,800	3,800
Total current assets	2,878,351	3,869,614	129,499	6,877,464
FIXED ASSETS				
Land	1,319,165	66,958	3,595,200	4,981,323
Parking facilities and equipment	8,359,105	-	-	8,359,105
Water and sewer plant and equipment	-	39,402,914	-	39,402,914
Country club facilities and equipment	-	-	925,364	925,364
Buildings and building improvements	-	5,631,362	8,236,831	13,868,193
Less accumulated depreciation	(3,855,137)	(25,423,363)	(3,646,455)	(32,924,955)
Net fixed assets	5,823,133	19,677,871	9,110,940	34,611,944
TOTAL ASSETS	\$ 8,701,484	\$ 23,547,485	\$ 9,240,439	\$ 41,489,408

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
LIABILITIES AND FUND EQUITY				
CURRENT LIABILITIES				
Accounts payable	\$ 15,559	\$ 117,149	\$ 360,954	\$ 493,662
Accrued payroll	3,899	133,285	-	137,184
Due to other funds	1,897,884	1,942,617	-	3,840,501
Interest payable	-	149,265	30,949	180,214
Deferred revenue	-	-	4,563	4,563
Total current liabilities	1,917,342	2,342,316	396,466	4,656,124
LONG-TERM LIABILITIES				
Bond (discount)	-	(19,669)	(25,016)	(44,685)
General obligation bonds payable	-	9,245,000	1,905,000	11,150,000
Total long-term liabilities	-	9,225,331	1,879,984	11,105,315
Total liabilities	1,917,342	11,567,647	2,276,450	15,761,439
FUND EQUITY				
Contributed capital	2,606,994	1,553,400	7,283,165	11,443,559
Retained earnings	4,177,148	10,426,438	(319,176)	14,284,410
Total fund equity	6,784,142	11,979,838	6,963,989	25,727,969
TOTAL LIABILITIES AND FUND EQUITY	\$ 8,701,484	\$ 23,547,485	\$ 9,240,439	\$ 41,489,408

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS

For the Year Ended April 30, 2003

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
OPERATING REVENUES				
Charges for services				
Water sales	\$ -	\$ 7,213,121	\$ -	\$ 7,213,121
Water permit fees	-	82,795	-	82,795
Parking lot collections	525,636	-	-	525,636
Parking violations	204,847	-	-	204,847
Golf fees	-	-	1,455,199	1,455,199
Charges for goods and services	-	-	1,456,457	1,456,457
Miscellaneous	-	4,358	452,855	457,213
Total operating revenues	730,483	7,300,274	3,364,511	11,395,268
OPERATING EXPENSES				
Personal services	196,889	1,851,033	-	2,047,922
Contractual services	184,490	779,084	2,031,706	2,995,280
Cost of goods sold	-	-	514,561	514,561
Materials and supplies	9,644	357,729	-	367,373
Repairs and maintenance	3,151	16,224	284,293	303,668
Reserve and contingencies	2,707	-	-	2,707
Total operating expenses	396,881	3,004,070	2,830,560	6,231,511
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION				
	333,602	4,296,204	533,951	5,163,757
Depreciation	725,450	2,776,187	440,848	3,942,485
OPERATING INCOME (LOSS)	(391,848)	1,520,017	93,103	1,221,272
NONOPERATING REVENUES (EXPENSES)				
Investment income	16,132	6,898	-	23,030
Interest expense and fiscal charges	-	(426,262)	(129,199)	(555,461)
Miscellaneous	27,554	-	-	27,554
Total nonoperating revenues (expenses)	43,686	(419,364)	(129,199)	(504,877)

(This statement is continued on the following page.)

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS (Continued)
ENTERPRISE FUNDS

For the Year Ended April 30, 2003

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
INCOME BEFORE OPERATING TRANSFERS	\$ (348,162)	\$ 1,100,653	\$ (36,096)	\$ 716,395
Capital Contributions	617,500	-	-	617,500
OPERATING TRANSFERS IN (OUT)				
Operating transfers (out)	(82,800)	(818,367)	(100,000)	(1,001,167)
Total operating transfers in (out)	(82,800)	(818,367)	(100,000)	(1,001,167)
NET INCOME (LOSS)	186,538	282,286	(136,096)	332,728
Add depreciation expense on contributed capital	121,209	116,895	251,178	489,282
INCREASE IN RETAINED EARNINGS	307,747	399,181	115,082	822,010
RETAINED EARNINGS (DEFICIT), MAY 1	3,869,401	10,027,257	(434,258)	13,462,400
RETAINED EARNINGS (DEFICIT), APRIL 30	\$ 4,177,148	\$ 10,426,438	\$ (319,176)	\$ 14,284,410

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

April 30, 2003

	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (391,848)	\$ 1,520,017	\$ 93,103	\$ 1,221,272
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	725,450	2,776,187	440,848	3,942,485
Changes in assets and liabilities				
Receivables	51,191	(656,710)	4,272	(601,247)
Inventory	-	-	7,546	7,546
Accounts payable and other liabilities	(6,060)	(268,636)	(56,113)	(330,809)
Accrued payroll	825	7,788	-	8,613
Bond discount	-	-	2,464	2,464
Deferred revenues	-	-	2,958	2,958
Net cash from operating activities	379,558	3,378,646	495,078	4,253,282
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers (out)	(82,800)	(818,367)	(100,000)	(1,001,167)
Advances from other funds	-	-	(300,000)	(300,000)
Miscellaneous revenue	27,554	-	-	27,554
Due from other funds	(6,012)	167,071	122,513	283,572
Due to other funds	16,783	1,313,092	-	1,329,875
Net cash from noncapital financing activities	(44,475)	661,796	(277,487)	339,834
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	617,500	-	-	617,500
Debt issue	-	1,484,776	-	1,484,776
Debt retirement	-	(875,000)	(90,000)	(965,000)
Interest paid	-	(421,523)	(130,662)	(552,185)
Purchase of fixed assets	(1,203,204)	(3,022,502)	-	(4,225,706)
Net cash from capital and related financing activities	(585,704)	(2,834,249)	(220,662)	(3,640,615)
CASH FLOWS FROM INVESTING ACTIVITIES				
Sale/purchases of investments	222,513	(1,213,091)	-	(990,578)
Interest received	16,132	6,898	-	23,030
Net cash from investing activities	238,645	(1,206,193)	-	(967,548)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,976)	-	(3,071)	(15,047)
CASH AND CASH EQUIVALENTS, MAY 1	11,977	1	43,052	55,030
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1	\$ 1	\$ 39,981	\$ 39,983

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
MOTOR VEHICLE PARKING SYSTEM FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Parking collections	\$ 540,000	\$ 525,636	\$ (14,364)
Parking violations	236,014	204,847	(31,167)
Total operating revenues	776,014	730,483	(45,531)
OPERATING EXPENSES			
Personal services	210,833	196,889	13,944
Contractual services	261,655	184,490	77,165
Materials and supplies	400	9,644	(9,244)
Reserve and contingencies	396,443	2,707	393,736
Capital outlay	1,479,000	3,151	1,475,849
Total operating expenses	2,348,331	396,881	1,951,450
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,572,317)	333,602	1,905,919
Depreciation	-	725,450	(725,450)
OPERATING INCOME (LOSS)	(1,572,317)	(391,848)	1,180,469
NONOPERATING REVENUES			
Investment income	40,000	16,132	(23,868)
Miscellaneous	-	27,554	27,554
Total nonoperating revenues	40,000	43,686	83,686
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND OPERATING TRANSFERS	(1,532,317)	(348,162)	1,264,155
CAPITAL CONTRIBUTIONS	-	617,500	617,500
OPERATING TRANSFERS (OUT)			
General Fund	(82,800)	(82,800)	-
NET INCOME (LOSS)	<u>\$ (1,615,117)</u>	186,538	<u>\$ 1,881,655</u>
Add back depreciation expense on contributed capital		121,209	
INCREASE IN RETAINED EARNINGS		307,747	
RETAINED EARNINGS, MAY 1		3,869,401	
RETAINED EARNINGS, APRIL 30		<u>\$ 4,177,148</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
WATER FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Water sales	\$ 6,923,865	\$ 7,213,121	\$ 289,256
Water permit fees	58,206	82,795	24,589
Miscellaneous	20,000	4,358	(15,642)
Total operating revenues	7,002,071	7,300,274	298,203
OPERATING EXPENSES			
Personal services	1,794,773	1,851,033	(56,260)
Contractual services	1,184,787	779,084	405,703
Materials and supplies	377,000	357,729	19,271
Repairs and maintenance	6,088,850	16,224	6,072,626
Total operating expenses	9,445,410	3,004,070	6,441,340
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(2,443,339)	4,296,204	6,739,543
Depreciation	-	2,776,187	(2,776,187)
OPERATING INCOME (LOSS)	(2,443,339)	1,520,017	3,963,356
NONOPERATING REVENUES (EXPENSES)			
Investment income	67,000	6,898	(60,102)
Interest expense	(418,788)	(426,262)	(7,474)
Other	(1,022,620)	-	1,022,620
Total nonoperating revenues (expenses)	(1,374,408)	(419,364)	955,044
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(3,817,747)	1,100,653	4,918,400
OPERATING TRANSFERS (OUT)			
General Fund	(549,000)	(549,000)	-
Illinois Municipal Retirement Fund	(269,367)	(269,367)	-
Total operating transfers (out)	(818,367)	(818,367)	-
NET INCOME (LOSS)	<u>\$ (4,636,114)</u>	282,286	<u>\$ 4,918,400</u>
Add back depreciation expense on contributed capital		116,895	
INCREASE IN RETAINED EARNINGS		399,181	
RETAINED EARNINGS, MAY 1		10,027,257	
RETAINED EARNINGS, APRIL 30		<u>\$ 10,426,438</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
HIGHLAND PARK COUNTRY CLUB FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Golf fees	\$ -	\$ 1,455,199	\$ 1,455,199
Charges for goods and services	3,364,675	1,456,457	(1,908,218)
Other	135,000	452,855	317,855
Total operating revenues	3,499,675	3,364,511	(135,164)
OPERATING EXPENSES			
Contractual services	2,976,009	2,031,706	944,303
Cost of goods sold	-	514,561	(514,561)
Repairs and maintenance	-	284,293	(284,293)
Total operating expenses	2,976,009	2,830,560	145,449
OPERATING BEFORE DEPRECIATION AND AMORTIZATION	523,666	533,951	10,285
Depreciation and amortization	-	440,848	(440,848)
OPERATING INCOME (LOSS)	523,666	93,103	(430,563)
NONOPERATING REVENUES (EXPENSES)			
Interest expense	(287,235)	(129,199)	158,036
Investment income	2,000	-	(2,000)
Reserves	(785,010)	-	785,010
Total nonoperating revenues (expenses)	(1,070,245)	(129,199)	941,046
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(546,579)	(36,096)	510,483
OPERATING TRANSFERS IN (OUT)			
Operating Transfers (Out)	(100,000)	(100,000)	-
Total operating transfers in (out)	(100,000)	(100,000)	-
NET INCOME (LOSS)	<u>\$ (646,579)</u>	<u>(136,096)</u>	<u>\$ 510,483</u>
Add back depreciation expense on contributed capital		251,178	
INCREASE IN RETAINED EARNINGS		115,082	
RETAINED EARNINGS (DEFICIT), MAY 1		(434,258)	
RETAINED EARNINGS (DEFICIT), APRIL 30		<u>\$ (319,176)</u>	

See accompanying notes to financial statements.

INTERNAL SERVICE FUNDS

Equipment Maintenance and Replacement Fund - to finance and account for services and/or commodities furnished by a designated program to other programs within the City.

Insurance Fund - to account for the payment of premiums on insurance policies and employee benefit related claims.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

April 30, 2003

	Equipment Maintenance and Replacement	Insurance	Totals
ASSETS			
CURRENT ASSETS			
Cash	\$ 1,404,582	\$ -	\$ 1,404,582
Total current assets	1,404,582	-	1,404,582
FIXED ASSETS			
Equipment	10,457,390	-	10,457,390
Accumulated depreciation	(7,907,367)	-	(7,907,367)
Net fixed assets	2,550,023	-	2,550,023
TOTAL ASSETS	\$ 3,954,605	\$ -	\$ 3,954,605
LIABILITIES AND RETAINED EARNINGS			
LIABILITIES			
Accounts payable	\$ 33,005	\$ -	\$ 33,005
Accrued salaries	8,237	-	8,237
Due to other funds	-	-	-
Compensated absences payable	39,461	-	39,461
Total liabilities	80,703	-	80,703
RETAINED EARNINGS	3,873,902	-	3,873,902
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 3,954,605	\$ -	\$ 3,954,605

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2003

	Equipment Maintenance and Replacement	Insurance	Totals
OPERATING REVENUES			
Charges for services	\$ 2,451,545	\$ 3,899,918	\$ 6,351,463
Premium reimbursements	-	65,479	65,479
Miscellaneous	21,506	3,680	25,186
Total operating revenues	2,473,051	3,969,077	6,442,128
OPERATING EXPENSES			
Personal services	897,286	86,081	983,367
Contractual services	393,620	2,371,132	2,764,752
Materials and supplies	532,136	495	532,631
Repairs and maintenance	25,710	-	25,710
Claims	-	1,574,825	1,574,825
Total operating expenses	1,848,752	4,032,533	5,881,285
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	624,299	(63,456)	560,843
Depreciation	736,026	-	736,026
OPERATING INCOME (LOSS)	(111,727)	(63,456)	(175,183)
NONOPERATING REVENUES (EXPENSES)			
Investment income	509	275	784
Gain on sale of assets	6,175	-	6,175
Total nonoperating revenues (expenses)	6,684	275	6,959
INCOME (LOSS) BEFORE TRANSFERS	(105,043)	(63,181)	(168,224)
OPERATING TRANSFERS (OUT)	(46,229)	-	(46,229)
NET INCOME (LOSS)	(151,272)	(63,181)	(214,453)
RETAINED EARNINGS (DEFICIT), MAY 1	4,025,174	(96,796)	3,928,378
Residual equity transfer in (out)	-	159,977	159,977
RETAINED EARNINGS (DEFICIT), APRIL 30	\$ 3,873,902	\$ -	\$ 3,873,902

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2003

	Equipment Maintenance and Replacement	Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (111,727)	\$ (63,456)	\$ (175,183)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	736,026	-	736,026
Changes in assets and liabilities			
Receivables	890	-	890
Other assets	-	40,853	40,853
Accounts payable	33,005	(757,549)	(724,544)
Accrued payroll	5,037	(5,527)	(490)
Net cash from operating activities	663,231	(785,679)	(122,448)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Operating transfers (out)	(46,229)	-	(46,229)
Residual equity transfer In (out)	-	159,977	159,977
Due from other funds	1,201,401	419,522	1,620,923
Net cash from noncapital and related financing activities	1,155,172	579,499	1,734,671
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of assets	6,175	-	6,175
Purchase of capital assets	(975,851)	-	(975,851)
Net cash from capital and related financing activities	(969,676)	-	(969,676)
CASH FLOWS FROM INVESTING ACTIVITIES			
Maturities of investments	461,110	173,863	634,973
Interest received	509	275	784
Net cash flows from investing activities	461,619	174,138	635,757
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,310,346	(32,042)	1,278,304
CASH AND CASH EQUIVALENTS, MAY 1	94,236	32,042	126,278
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,404,582	\$ -	\$ 1,404,582

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
EQUIPMENT MAINTENANCE AND REPLACEMENT FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for services	\$ 2,451,545	\$ 2,451,545	\$ -
Miscellaneous	30,000	21,506	(8,494)
Total operating revenues	2,481,545	2,473,051	(8,494)
OPERATING EXPENSES			
Personal services	877,080	897,286	(20,206)
Contractual services	366,776	393,620	(26,844)
Materials and supplies	402,385	532,136	(129,751)
Repairs and maintenance	2,541,638	25,710	2,515,928
Total operating expenses	4,187,879	1,848,752	2,339,127
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,706,334)	624,299	2,330,633
Depreciation	-	736,026	(736,026)
OPERATING INCOME (LOSS)	(1,706,334)	(111,727)	1,594,607
NONOPERATING REVENUE (EXPENSES)			
Gain on sale of assets	20,000	6,175	(13,825)
Investment income	5,000	509	(4,491)
Total nonoperating revenues (expenses)	25,000	6,684	(18,316)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(1,681,334)	(105,043)	1,576,291
OPERATING TRANSFERS (OUT)			
Illinois Municipal Retirement Fund	(46,229)	(46,229)	-
NET INCOME (LOSS)	<u>\$ (1,727,563)</u>	<u>(151,272)</u>	<u>\$ 1,576,291</u>
RETAINED EARNINGS, MAY 1		<u>4,025,174</u>	
RETAINED EARNINGS, APRIL 30		<u>\$ 3,873,902</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL
INSURANCE FUND

For the Year Ended April 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Charges for current services	\$ 3,899,917	\$ 3,899,918	\$ 1
Premium reimbursements	700,000	65,479	(634,521)
Miscellaneous revenue	-	3,680	3,680
Total operating revenues	4,599,917	3,969,077	(630,840)
OPERATING EXPENSES			
Personal services	85,617	86,081	(464)
Contractual services	4,727,185	2,371,132	2,356,053
Materials and supplies	301	495	(194)
Reserves for claims	1,826,610	1,574,825	251,785
Total operating expenses	6,639,713	4,032,533	2,607,180
OPERATING INCOME (LOSS)	(2,039,796)	(63,456)	1,976,340
NONOPERATING REVENUE (EXPENSE)			
Investment income	-	275	275
NET INCOME (LOSS)	<u>\$ (2,039,796)</u>	<u>(63,181)</u>	<u>\$ 1,976,615</u>
RETAINED EARNINGS (DEFICIT), MAY 1		(96,796)	
Residual equity transfer in (out)		<u>159,977</u>	
RETAINED EARNINGS, APRIL 30		<u>\$ -</u>	

(See independent auditor's report.)

TRUST AND AGENCY FUNDS

Trust and Agency Funds consist of resources received from the non-Government sources and held by the City as trustee or agent to be expended or invested in accordance with the conditions of the trust or in its agency capacity.

Pension Trust

Police and Firefighter's Pension - provides for payment of retirement benefits. Funding comes from property taxes, City contributions, and employee contributions.

Agency

General Deposit - consists of security deposits made by contractors performing services for the City.

Payroll - the monies for the City payroll is deposited and drawn on this fund.

Special Assessment - to account for the collection of special assessments from property owners. The collections are used to pay off special assessment debt, for which the City is not obligated.

Housing Trust - to provide financial resources to address the needs of individuals and families of low and moderate income households who live or work in the City by promoting, preserving and producing long-term affordable housing, providing housing-related services and providing support for not-for-profit organizations that support the fund's objectives. Distribution of funds from the Housing Trust Fund shall be in the form of grants, loans or other funding mechanisms.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS

April 30, 2003

	Pension Trust	Agency	Totals
ASSETS			
Cash	\$ 1,553,012	\$ 1,967,017	\$ 3,520,029
Investments	44,161,890	-	44,161,890
Receivables			
Accrued interest	483,090	-	483,090
Accounts receivable	-	151,285	151,285
Due from other funds	-	1,360,902	1,360,902
Prepaid items	500	-	500
TOTAL ASSETS	\$ 46,198,492	\$ 3,479,204	\$ 49,677,696
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 383,121	\$ 383,121
Accrued expenses	34,973	-	34,973
Due to others	-	359,405	359,405
Deferred revenue	-	33,686	33,686
Refundable deposits	-	2,702,992	2,702,992
Total liabilities	34,973	3,479,204	3,514,177
FUND BALANCES			
Reserved for employees' retirement systems	46,163,519	-	46,163,519
TOTAL LIABILITIES AND FUND BALANCES	\$ 46,198,492	\$ 3,479,204	\$ 49,677,696

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS

April 30, 2003

	Police Pension	Firefighters' Pension	Totals
<hr/>			
ASSETS			
Cash and cash equivalents	\$ 1,331,783	\$ 221,229	\$ 1,553,012
Investments, at fair value			
U.S. government obligations	14,796,217	14,667,148	29,463,365
Mutual funds	7,712,116	5,881,716	13,593,832
Insurance contracts	-	1,104,693	1,104,693
Total investments	22,508,333	21,653,557	44,161,890
Prepaid items	500	-	500
Receivables			
Accrued interest	253,356	229,734	483,090
Total receivables	253,356	229,734	483,090
Total assets	24,093,972	22,104,520	46,198,492
LIABILITIES			
Accrued expenses	33,603	1,370	34,973
Total liabilities	33,603.00	1,370	34,973
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS (Schedules of funding progress are presented on pages 45 and 46)	\$ 24,060,369	\$ 22,103,150	\$ 46,163,519

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS

For the Year Ended April 30, 2003

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions - employer			
Property taxes	\$ 396,842	\$ 927,125	\$ 1,323,967
Replacement taxes	11,588	26,652	38,240
Contributions - plan members	360,821	297,441	658,262
Total contributions	769,251	1,251,218	2,020,469
Donations	-	7,246	7,246
Net appreciation (depreciation) in fair value of investments	(611,372)	(1,388,015)	(1,999,387)
Investment income			
Interest earned on investments	1,000,324	1,584,996	2,585,320
Total investment income	388,952	196,981	585,933
Less investment expense	(52,493)	(26,252)	(78,745)
Net investment income	336,459	170,729	507,188
Total additions	1,105,710	1,429,193	2,534,903
DEDUCTIONS			
Pensions and refunds	1,734,687	1,113,623	2,848,310
Miscellaneous			
Contractual professional services	50,169	13,327	63,496
Total deductions	1,784,856	1,126,950	2,911,806
NET INCREASE (DECREASE)	(679,146)	302,243	(376,903)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	24,739,515	21,800,907	46,540,422
April 30	\$ 24,060,369	\$ 22,103,150	\$ 46,163,519

See accompanying notes to financial statements.

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CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the Year Ended April 30, 2003

	Balances May 1	Additions	Deductions	Balances April 30
ALL FUNDS				
ASSETS				
Cash	\$ 2,805,095	\$ 235,702	\$ 1,073,780	\$ 1,967,017
Accounts receivable	173,606	-	22,321	151,285
Payroll withholding receivable	109,386	80,878	190,264	-
Due from other funds	-	1,360,902	-	1,360,902
TOTAL ASSETS	\$ 3,088,087	\$ 1,677,482	\$ 1,286,365	\$ 3,479,204
LIABILITIES				
Accounts payable	\$ 157,672	\$ 383,121	\$ 157,672	\$ 383,121
Accrued payroll	-	175,877	175,877	-
Due to others	543,307	229,405	413,307	359,405
Refundable deposits	2,373,878	329,114	-	2,702,992
Deferred revenue	13,230	20,456	-	33,686
TOTAL LIABILITIES	\$ 3,088,087	\$ 1,137,973	\$ 746,856	\$ 3,479,204
GENERAL DEPOSIT FUND				
ASSETS				
Cash	\$ 2,373,878	\$ -	\$ 1,025,494	\$ 1,348,384
Due from other funds	-	1,360,902	-	1,360,902
TOTAL ASSETS	\$ 2,373,878	\$ 1,360,902	\$ 1,025,494	\$ 2,709,286
LIABILITIES				
Accounts payable	\$ -	\$ 6,294	\$ -	\$ 6,294
Deposits payable	2,373,878	329,114	-	2,702,992
TOTAL LIABILITIES	\$ 2,373,878	\$ 335,408	\$ -	\$ 2,709,286

(This statement is continued on the following page.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended April 30, 2003

	Balances May 1	Additions	Deductions	Balances April 30
PAYROLL FUND				
ASSETS				
Cash	\$ 48,286	\$ -	\$ 48,286	\$ -
Payroll withholding receivable	109,386	80,878	190,264	-
TOTAL ASSETS	\$ 157,672	\$ 80,878	\$ 238,550	\$ -
LIABILITIES				
Accrued payroll	\$ -	\$ 175,877	\$ 175,877	\$ -
Accounts payable	157,672	-	157,672	-
TOTAL LIABILITIES	\$ 157,672	\$ 175,877	\$ 333,549	\$ -
SPECIAL ASSESSMENT FUND				
ASSETS				
Cash	\$ 382,931	\$ 6,297	\$ -	\$ 389,228
Accounts receivable	173,606	-	22,321	151,285
TOTAL ASSETS	\$ 556,537	\$ 6,297	\$ 22,321	\$ 540,513
LIABILITIES				
Accounts payable	\$ -	\$ 376,827	\$ -	\$ 376,827
Deferred revenue	13,230	20,456	-	33,686
Due to others	543,307	-	413,307	130,000
TOTAL LIABILITIES	\$ 556,537	\$ 397,283	\$ 413,307	\$ 540,513
HOUSING TRUST FUND				
ASSETS				
Cash	\$ -	\$ 229,405	\$ -	\$ 229,405
TOTAL ASSETS	\$ -	\$ 229,405	\$ -	\$ 229,405
LIABILITIES				
Due to others	\$ -	\$ 229,405	\$ -	\$ 229,405
TOTAL LIABILITIES	\$ -	\$ 229,405	\$ -	\$ 229,405

See accompanying notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets are those fixed assets of a governmental jurisdiction which are not accounted for in an Enterprise, Internal Service, or Trust Fund.

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF GENERAL FIXED ASSETS - BY SOURCE
GENERAL FIXED ASSETS ACCOUNT GROUP

April 30, 2003

GENERAL FIXED ASSETS	
Land	\$ 11,427,706
Buildings and improvements	29,330,671
Equipment	3,803,029
Land improvements	<u>9,495,631</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 54,057,037</u>
BALANCE, BEGINNING OF YEAR	\$ 48,005,234
General revenues	<u>6,051,803</u>
BALANCE, END OF YEAR	<u>\$ 54,057,037</u>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
GENERAL FIXED ASSETS ACCOUNT GROUP

April 30, 2003

ACQUIRED PRIOR TO APRIL 30, 1993, NET	\$ 26,197,327
ACQUIRED SUBSEQUENT TO APRIL 30, 1993	
General government	18,855,987
Public safety	8,894,655
Streets and alleys	<u>109,068</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 54,057,037</u>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS - BY FUNCTION AND ACTIVITY
GENERAL FIXED ASSETS ACCOUNT GROUP

For the Year Ended April 30, 2003

	Balances May 1	Additions	Deletions	Balances April 30
ACQUIRED PRIOR TO APRIL 30, 1993	\$ 26,197,327	\$ -	\$ -	\$ 26,197,327
ACQUIRED SUBSEQUENT TO APRIL 30, 1993				
General government	12,804,184	6,051,803	-	18,855,987
Public safety	8,894,655	-	-	8,894,655
Streets and alleys	109,068	-	-	109,068
TOTAL GENERAL FIXED ASSETS	<u>\$ 48,005,234</u>	<u>\$ 6,051,803</u>	<u>\$ -</u>	<u>\$ 54,057,037</u>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

TOTAL EXPENDITURES AND EXPENSES BY FUNCTION

Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
General government and other	\$ 9,416,856	\$ 9,485,606	\$ 8,413,411	\$ 8,743,912	\$ 7,199,292	\$ 7,029,356	\$ 6,863,584	\$ 6,799,755	\$ 6,844,989	\$ 6,903,737
Public safety	12,849,750	12,155,248	11,699,586	12,452,890	11,107,541	10,783,735	8,628,837	8,702,129	8,469,986	8,610,521
Public works and capital outlay	18,719,832	12,700,289	13,171,353	21,813,889	13,193,075	13,272,560	13,392,875	7,771,924	7,167,889	5,837,461
Debt service	4,464,514	4,107,476	3,175,152	3,642,742	3,414,607	3,297,079	3,163,056	4,726,976	6,224,280	5,291,025
Contributions to IMRF and Police/Firefighters' Pension employers retirement benefits	1,618,747	1,807,131	1,561,815	1,358,117	805,864	2,578,663	1,494,770	1,516,662	1,498,152	1,486,324
Total governmental	47,069,699	40,255,750	38,021,317	48,011,550	35,720,379	36,961,393	33,542,922	29,517,446	30,205,296	28,129,068
Enterprises										
Motor Vehicle Parking System	396,881	455,996	638,333	195,589	250,072	449,458	361,198	467,687	300,849	323,274
Water	3,004,070	3,279,180	3,144,440	2,534,068	3,199,782	3,722,124	3,822,008	3,555,406	3,331,230	4,635,421
Sewer maintenance	-	-	-	-	-	-	-	-	561,095	453,059
Highland Park Country Club	2,541,603	3,038,149	2,827,119	2,735,284	2,893,484	3,692,003	2,894,144	2,229,776	2,799,276	2,348,494
Equipment maintenance and replacement	1,848,752	1,640,190	1,664,206	1,531,696	1,950,200	1,606,071	1,467,653	1,457,181	1,423,305	1,307,973
Liability insurance	4,032,533	4,783,889	3,477,837	3,539,745	3,019,207	2,643,806	3,262,246	3,040,478	-	-
TOTALS	\$ 58,893,538	\$ 53,453,154	\$ 49,773,252	\$ 58,547,932	\$ 47,033,124	\$ 49,074,855	\$ 45,350,171	\$ 40,267,974	\$ 38,621,051	\$ 37,197,289

Notes:

(1) Expenditures of Pension Funds and Public Library Funds are not included in this table.

(2) Expenditures for services of the Internal Service Funds are included in this table, but are offset by service charges reflected on pages 95-96

Internal Service Fund charges for liability insurance were previously reflected as general government expenditures prior to the adoption of GASB Statement 10.

CITY OF HIGHLAND PARK, ILLINOIS

TOTAL REVENUES AND OTHER FINANCING SOURCES BY SOURCE OTHER THAN PROPERTY TAXES

Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
OTHER LOCAL TAXES										
Municipal sales tax (3)	\$ 10,014,358	\$ 10,706,499	\$ 10,492,993	\$ 10,060,364	\$ 8,692,201	\$ 7,766,292	\$ 7,557,962	\$ 7,391,301	\$ 5,787,769	\$ 5,379,062
Motor fuel tax allotments	974,586	863,746	890,950	830,957	732,313	706,770	718,257	713,411	678,346	691,232
Utility tax	3,743,805	3,921,731	3,648,778	3,301,140	3,051,006	2,934,825	3,105,766	2,972,377	2,610,443	2,781,521
Illinois state income tax	1,913,363	1,872,494	2,420,065	2,260,531	2,519,150	2,383,183	2,182,272	2,031,189	1,755,166	1,800,174
Illinois state replacement tax (1)	147,631	197,481	202,102	220,690	204,330	200,191	175,872	168,703	148,579	140,210
Cable television franchise tax	359,946	376,300	319,456	267,931	239,813	240,205	236,045	221,971	206,552	202,233
Real estate transfer tax	2,008,860	1,787,298	1,938,210	1,734,500	1,624,035	1,349,335	1,052,010	1,114,080	1,041,455	1,057,670
Franchise tax	44,385	114,529	128,218	123,532	365,130	338,305	305,888	281,636	266,189	246,571
Total other local taxes	19,206,934	19,840,078	20,040,772	18,799,645	17,427,978	15,919,106	15,334,072	14,894,668	12,494,499	12,298,673
LICENSES, PERMITS, AND FINES	2,264,264	2,388,253	-	3,321,035	2,285,104	1,779,386	1,760,076	1,999,577	2,054,547	1,525,180
INTEREST AND RENTAL INCOME										
Investment income	518,514	883,906	1,265,945	1,317,693	1,057,618	761,039	1,045,344	1,201,859	894,102	844,330
SERVICE CHARGES (1)										
Internal Service Funds (2)	6,442,128	5,391,862	3,619,345	5,156,808	5,085,181	5,075,905	4,321,418	4,078,409	1,913,939	1,910,322
Other charges	1,914,404	2,652,272	2,451,545	1,665,892	1,587,969	1,686,313	1,420,475	1,011,584	962,616	968,212
Sewer maintenance charges	-	-	-	-	-	-	-	450,892	356,907	190,158
Miscellaneous	4,835,247	1,404,223	34,543	710,418	599,638	676,837	588,291	486,056	92,169	124,135
Total service charges	13,191,779	9,448,357	6,105,433	7,533,118	7,272,788	7,439,055	6,330,184	6,026,941	3,325,631	3,192,827
REVENUE FROM ENTERPRISES										
Parking collections	525,636	551,611	476,753	460,574	446,113	463,476	467,683	468,183	485,346	476,147
Parking violations	204,847	236,339	233,250	256,702	189,441	233,995	232,568	251,761	219,683	199,128
Water sales and tap permits	7,300,274	6,457,091	6,830,496	7,142,318	6,325,835	5,504,320	5,697,552	5,696,619	6,116,818	4,816,554
Highland Park Country Club	3,364,511	3,183,582	3,415,971	3,323,791	3,435,523	3,646,528	3,024,270	2,325,161	3,106,019	2,083,843
Total revenue from enterprises	11,395,268	10,428,623	10,956,470	11,183,385	10,396,912	9,848,519	9,422,073	8,741,724	9,927,866	7,575,672

CITY OF HIGHLAND PARK, ILLINOIS

TOTAL REVENUES AND OTHER FINANCING SOURCES BY SOURCE OTHER THAN PROPERTY TAXES (Continued)

Last Ten Fiscal Years

	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
REVENUE FROM OTHER AGENCIES										
Fire insurance tax	\$ -	\$ -	\$ -	\$ 45,855	\$ 45,194	\$ 40,853	\$ 41,696	\$ 41,624	\$ 39,930	\$ 36,425
Regional Transportation Authority	892,506	813,974	839,264	768,874	710,766	748,393	734,872	741,005	723,659	660,687
State Department of Transportation reimbursement	-	27,647	-	-	-	-	-	-	-	-
Total revenue from other agencies	892,506	841,621	839,264	814,729	755,960	789,246	776,568	782,629	763,589	697,112
MISCELLANEOUS REVENUE (1)	-	-	144,680	2,876,689	2,268,938	997,995	837,990	-	1,616,433	1,652,424
OTHER SOURCES OF FINANCIAL RESOURCES										
Sale of property	327,325	-	-	-	-	-	1,356,613	-	-	-
Real estate	-	9,195	-	-	-	-	-	-	-	-
Personal property	-	4,052	165,505	184,446	558,117	1,427,377	-	-	-	-
Reimbursement - Fort Sheridan expenses	-	-	3,000,000	3,000,000	-	3,030,000	3,450,000	4,894,214	-	-
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-	-
Contributions from property owners	-	-	-	-	-	-	-	-	117,771	46,944
Total other sources of financial resources	327,325	13,247	3,165,505	3,184,446	558,117	4,457,377	4,806,613	4,894,214	117,771	46,944
TOTAL REVENUES	\$ 47,796,590	\$ 43,844,085	\$ 42,518,069	\$ 49,030,740	\$ 42,023,415	\$ 41,991,723	\$ 40,312,920	\$ 38,541,612	\$ 31,194,438	\$ 27,833,162

Notes:

- (1) Revenues of Pension Funds and Public Library Funds are not included in the table.
- (2) Service charges of Internal Service Funds included in this table are eliminated by expenditures reflected in related funds on page 96.
- (3) Municipal sales tax revenues for fiscal 1996 and 1995 include \$358,427 and \$265,000, respectively, of incremental sales tax.

CITY OF HIGHLAND PARK, ILLINOIS

TAX REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Total Taxes	Property Taxes *	Municipal Sales Tax	Vehicle Licenses Tax	Illinois			Fire Insurance Tax	Motor Fuel Tax	Illinois State Replacement Taxes *	Franchise Tax	Real Estate Transfer Tax
					Utility Tax	Income Tax	State Tax					
1994	\$ 24,042,045	\$ 11,329,332	\$ 5,379,062	\$ 579,848	\$ 2,781,521	\$ 1,800,174	\$ 36,425	\$ 691,232	\$ 140,210	\$ 246,571	\$ 1,057,670	
1995	24,957,749	12,223,533	5,522,769	671,339	2,610,443	1,755,166	39,930	678,346	148,579	266,189	1,041,455	
1996	27,027,475	11,990,490	7,032,874	681,091	2,972,377	2,031,189	41,624	713,411	168,703	281,636	1,114,080	
1997	28,284,303	12,444,861	7,557,962	687,255	3,105,766	2,182,272	41,696	718,257	188,336	305,888	1,052,010	
1998	30,346,597	13,932,723	7,766,292	681,656	2,934,825	2,383,183	40,853	706,770	212,655	338,305	1,349,335	
1999	31,669,656	13,737,618	8,692,201	686,215	3,051,006	2,519,150	45,194	732,313	216,794	365,130	1,624,035	
2000	33,549,557	13,932,723	10,060,364	758,872	3,301,140	2,260,531	45,855	830,957	233,152	391,463	1,734,500	
2001	32,610,787	11,813,119	10,492,993	744,432	3,648,778	2,420,065	-	890,950	214,566	447,674	1,938,210	
2002	32,798,867	12,261,393	10,706,499	684,932	3,921,731	1,872,494	-	863,746	209,945	490,829	1,787,298	
2003	32,634,710	12,761,565	10,014,358	661,747	3,743,805	1,913,363	-	974,586	160,095	404,331	2,000,860	

* includes Component Unit - Library

CITY OF HIGHLAND PARK, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Tax Levy as Abated (2)	Current Taxes Collected		Percent of Levy Collected	Delinquent Taxes Collected in Current Year	Total Collections	Percent of Total Collections to Tax Levy
		Fiscal Year Collected	Amount				
1993	\$ 12,377,200	1995	\$ 12,322,296	99.56%	\$ -	\$ 12,322,296	99.56%
1994	11,922,405	1996	11,932,063	100.08%	187	11,932,250	100.08%
1995	12,243,365	1997	12,444,668	101.64%	193	12,444,861	101.65%
1996	12,796,148	1998	12,761,865	99.73%	-	12,761,865	99.73%
1997	13,732,515	1999	13,737,608	100.04%	-	13,737,608	100.04%
1998	14,033,480	2000	13,921,143	99.20%	12,731	13,933,874	99.29%
1999	11,870,900	2001	11,840,448	99.74%	-	11,840,448	99.74%
2000	11,877,136	2002	12,261,276	103.23%	-	-	0.00%
2001	12,091,887	2003	11,628,014	96.16%	-	11,628,014	96.16%
2002	12,310,786	2004	-	0.00%	-	-	0.00%

Notes:

- (1) Lake County does not furnish information relating to delinquent taxes collected for the applicable levy year. Amounts shown in this column are collections in the year indicated of delinquent taxes applicable to prior years' tax levies.
- (2) Tax levy as abated represents total assessments extended by the City tax rate plus levies on the special service areas and the tax increment financing area.
- (3) The 2002 tax levy has not been collected as of the report date.

CITY OF HIGHLAND PARK, ILLINOIS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Fiscal Year	Tax levy Year	Real Estate	Railroads	Total	Actual Value- Real Property Only (1)	Ratio of Total Assessed Valuation to Estimated Actual Value of Real Property
1994	1993	\$ 1,039,918,142	\$ 161,386	\$ 1,040,079,528	\$ 3,120,232,345	33%
1995	1994	1,072,916,693	191,599	1,073,108,292	3,219,318,439	33%
1996	1995	1,123,479,684	270,590	1,123,750,274	3,371,183,398	33%
1997	1996	1,168,607,177	664,878	1,169,272,055	3,505,821,531	33%
1998	1997	1,217,422,985	592,237	1,218,015,222	3,654,045,666	33%
1999	1998	1,261,465,625	546,614	1,262,012,239	3,789,036,717	33%
2000	1999	1,373,523,348	506,220	1,374,029,568	4,122,088,704	33%
2001	2000	1,475,263,231	524,343	1,475,787,574	4,427,362,722	33%
2002	2001	1,672,971,197	547,054	1,673,518,251	5,020,554,753	33%
2003	2002	1,749,129,216	649,027	1,749,778,243	5,249,334,729	33%

(1) Based on comparable 33% assessment ratios - real property only.

CITY OF HIGHLAND PARK, ILLINOIS

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years
(Cents per hundred dollars)

Fiscal Year	Tax Levy Year	County	Forest Preserve	Township	Sanitary	College of Lake County	High School	Elementary School	Mosquito Abatement	City	Park District	Total Tax
1995	1993	0.519	0.158	0.060	0.202	0.219	1.839	2.962	0.011	1.045	0.372	7.387
1996	1994	0.520	0.157	0.061	0.196	0.220	1.863	3.661	0.012	0.976	0.377	8.043
1997	1995	0.523	0.156	0.058	0.192	0.220	1.855	2.66	0.012	0.962	0.377	7.015
1998	1996	0.525	0.156	0.054	0.185	0.220	1.861	2.665	0.012	0.932	0.376	6.986
1999	1997	0.531	0.155	0.055	0.186	0.222	1.882	2.925	0.013	0.913	0.382	7.264
2000	1998	0.531	0.157	0.056	0.181	0.221	1.884	2.914	0.012	0.885	0.385	7.226
2001	1999	0.521	0.187	0.052	0.172	0.213	2.088	2.871	0.012	0.812	0.380	7.308
2002	2000	0.521	0.231	0.051	0.167	0.235	2.060	2.804	0.012	0.776	0.376	7.233
2003	2001	0.516	0.221	0.048	0.160	0.211	1.957	2.624	0.012	0.701	0.355	6.805
2004	2002	0.502	0.232	0.050	0.152	0.208	1.908	2.658	0.012	0.681	0.359	6.762

CITY OF HIGHLAND PARK, ILLINOIS

RATIO OF GENERAL BONDED DEBT TO EQUALIZED ASSESSED VALUATION AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

Last Ten Fiscal Years

Fiscal Year	(a) Estimated Population		(b) Equalized Assessed Valuation	(c) General Bonded Debt	Ratio of General Bonded Debt to Equalized Assessed Valuation	General Bonded Debt Per Capita
1994	30,575	(1)	\$ 1,040,079,528	\$ 33,970,000	0.0327	1,111.04
1995	30,575	(1)	1,073,108,282	28,745,000	0.0268	940.15
1996	30,575	(1)	1,123,750,274	29,315,000	0.0261	958.79
1997	30,575	(1)	1,169,272,055	26,330,000	0.0225	861.16
1998	30,575	(1)	1,218,015,222	28,030,000	0.0230	916.76
1999	30,575	(1)	1,262,012,239	28,930,000	0.0229	946.20
2000	30,575	(1)	1,374,029,568	30,315,000	0.0221	991.50
2001	30,262	(2)	1,475,787,574	29,890,000	0.0203	987.71
2002	30,262	(2)	1,673,518,251	25,815,755	0.0154	853.07
2003	30,262	(2)	1,749,778,243	30,775,635	0.0176	1,016.97

Notes:

- (1) 1990 census.
- (2) Revised 2000 census.

Data Sources

- (a) U.S. Census Bureau
- (b) County Clerk
- (c) City of Highland Park Finance Department

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2003

Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING DEBT

April 30, 2003

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Highland Park (1)	City of Highland Park Share of Debt
City of Highland Park	\$ 30,775,635	100.00%	\$ 30,775,635
Lake County	31,076,935	9.18%	2,852,863
Lake County Forest Preserve District	224,725,989	9.18%	20,629,846
North Shore Sanitary District	12,651,191	26.13%	3,305,756
Schools			
Elementary			
District No. 106	1,530,000	3.39%	51,867
District No. 109	45,140,000	5.09%	2,297,626
District No. 112	62,535,000	93.78%	58,645,323
District No. 113	64,245,000	58.40%	37,519,080
College of Lake County	13,673,146	9.68%	1,323,561
	<u>455,577,261</u>		<u>126,625,922</u>
	<u>\$ 486,352,896</u>		<u>\$ 157,401,557</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the City of Highland Park to valuation of property subject to taxation in overlapping unit.

CITY OF HIGHLAND PARK, ILLINOIS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

Last Ten Fiscal Years

Fiscal Year	Principal*	Interest*	Total Debt Service on General Bonded Debt	Total General Governmental Expenditures	Ratio of Bonded Debt to General Governmental Expenditures
1994	\$ 4,275,000	\$ 1,933,247	\$ 6,208,247	\$ 29,837,346	20.81%
1995	5,225,000	2,238,550	7,463,550	31,512,116	23.68%
1996	4,405,000	1,531,437	5,936,437	31,322,520	18.95%
1997	3,030,000	1,350,857	4,380,857	35,586,643	12.31%
1998	5,070,000	1,292,808	6,362,808	34,739,311	18.32%
1999	3,400,000	1,314,854	4,714,854	37,242,662	12.66%
2000	2,565,000	1,012,579	3,577,579	48,011,550	7.45%
2001	2,925,000	1,261,758	4,186,758	38,021,317	11.01%
2002	3,725,000	1,274,159	4,999,159	40,255,750	12.42%
2003	3,887,841	576,673	4,464,514	47,069,699	9.48%

* Excludes Special Service Area Bonds and in-substance defeasance of general obligation bonds.

CITY OF HIGHLAND PARK, ILLINOIS

PRINCIPAL TAXPAYERS

April 30, 2003

(2) Taxpayer	Business/Service	(1) 2001 Equalized Assessed Valuation
Toys R Us - Delaware Inc.	Retail Store	\$ 5,782,188
Renaissance Place, LLC	Business/Retail Center	4,993,498
American NB Trust of Chicago - Americana Apartments	Real Property	4,448,690
Dayton Hudson Corporation	Retail Store	4,205,207
Port Clinton Associates	Business/Retail Center	3,794,046
Federal Realty Investment Trust	Business/Retail Center	3,625,548
Highland Park Hospital	Healthcare	3,134,457
Illinois Bell	Utility	2,893,074
Highland Park Convalescent Center Assoc.	Senior Care Facility	2,771,741
Solo Cup Company	Business	2,548,701
		<u>\$ 38,197,150</u>

Notes:

(1) Source: Lake County.

(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2001 EAV is the most current available for all taxpayers.

CITY OF HIGHLAND PARK, ILLINOIS

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	(1) Population	(1) Per Capita Income	(2) School Enrollment	(3) Unemployment Rate	(1) Median Age	(1) College Degree
1994	30,575	\$ 43,394	5,528	3.2%	37.8	47.0%
1995	30,575	43,394	5,749	2.2%	37.8	47.0%
1996	30,575	43,394	5,816	2.4%	37.8	47.0%
1997	30,575	43,394	5,759	2.0%	38.1	47.0%
1998	30,575	43,394	5,803	1.8%	38.1	47.0%
1999	30,575	43,394	5,907	1.5%	38.1	47.0%
2000	30,575	43,394	5,919	1.8%	38.1	47.0%
2001	30,262	80,128	6,034	2.3%	36.1	61.6%
2002	30,262	55,331	6,034	3.7%	40.6	61.6%
2003	30,262	55,331	6,198	3.0%	40.6	61.6%

Notes:

(1) U.S. Census Bureau.

(2) Highland Park School Districts.

(3) Illinois Department of Employment Security.

CITY OF HIGHLAND PARK, ILLINOIS

PROPERTY VALUE AND BANK DEPOSITS

Last Ten Fiscal Years

Fiscal Year	(1)					(2)	
	Residential	Farm	Commercial	Industrial	Railroad	Total Property Values	Commercial Bank Deposits (in 00s)
1994	\$ 950,738,107	\$ 585,283	\$ 87,163,030	\$ 1,431,722	\$ 161,386	\$ 1,040,079,528	\$ 722,264
1995	983,533,623	601,252	87,077,532	1,704,286	191,599	1,073,108,292	706,028
1996	1,031,768,542	619,648	89,341,753	1,749,741	270,590	1,123,750,274	805,573
1997	1,076,596,142	637,731	89,580,072	1,793,232	664,878	1,169,272,055	782,687
1998	1,124,994,212	1,936	90,593,142	1,833,695	592,237	1,218,015,222	NA
1999	1,167,800,283	937,150	90,834,062	1,894,130	546,614	1,262,012,239	NA
2000	1,233,581,123	980,639	136,971,426	1,990,160	506,220	1,374,029,568	NA
2001	1,328,590,213	1,070,829	143,475,204	2,127,005	524,343	1,475,787,594	NA
2002	1,510,686,423	1,169,589	158,582,154	2,533,031	547,054	1,673,518,251	NA
2003	1,579,524,820	1,207,347	165,789,879	2,607,170	649,027	1,749,778,243	NA

NA - Not available

Notes:

- (1) Lake County Extension Office.
- (2) Federal Deposit Insurance Corporation.

CITY OF HIGHLAND PARK, ILLINOIS

MISCELLANEOUS STATISTICS

April 30, 2003

Date of incorporation	March 11, 1869			
Form of government	Council-Manager			
Area - square miles	12			
Miles of streets				
Paved	154			
Graded	2			
Total	156			
Miles of Sewers				
Storm	150			
Sanitary	117			
Total	267			
Fire protection				
Number of stations	3			
Number of employees	58			
Police protection				
Number of stations	1			
Number of officers	60			
Recreation				
Parks - number of acres	600			
Number of playgrounds	29			
Education				
Number of public school buildings	12			
Number of certified teachers	560			
Number of students registered	6,270			
Municipal water system				
Number of customers	10,392			
Average daily consumption (gallons)	10,000,000			
Plant capacity (rated) - per day (gallons)	21,000,000			
Miles of water mains (approximate)	150			
Number of fire hydrants (approximate)	1,650			
Number of street lights	1,420			
Employees	332			
Population				
	1880	1,154	1940	14,332
	1890	2,163	1950	16,808
	1900	2,906	1960	25,532
	1910	4,209	1970	32,263
	1920	6,167	1980	30,611
	1930	12,203	1990	30,575
			2000	30,262

Source of information: U.S. Census Bureau and city records.

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF SPECIAL ASSESSMENT PRINCIPAL INSTALLMENT COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Current Installments Due	Current Installments Paid	Percent of Current Installments Paid	Total Installments Paid*	Total Delinquent Installments Receivable
1994	\$ 28,435	\$ 19,416	68.28%	\$ 53,339	\$ 23,129
1995	28,009	19,169	68.44%	123,030	23,014
1996	17,549	10,880	62.00%	55,605	21,113
1997	15,036	10,302	68.52%	33,879	17,686
1998	14,011	9,523	67.97%	24,840	19,529
1999	10,749	8,012	74.54%	21,317	18,062
2000	8,724	5,373	61.59%	6,704	18,567
2001	9,785	6,431	65.72%	10,846	16,157
2002	5,541	3,843	69.35%	6,284	1,649
2003	1,936	1,334	68.89%	2,320	992

* Includes amounts received on current, delinquent, and future installments.