

# **City of Highland Park Illinois**



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**Comprehensive Annual  
Financial Report**  
For year ended  
December 31, 2009

CITY OF HIGHLAND PARK, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
December 31, 2009

CITY OF HIGHLAND PARK, ILLINOIS  
TABLE OF CONTENTS

---

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials .....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal .....	iv-viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT .....	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-10
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities .....	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6-7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets .....	8
Statement of Revenues, Expenditures, and Changes in Fund Balances ..	9-10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	11

CITY OF HIGHLAND PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Assets .....	12-13
Statement of Revenues, Expenses, and Changes in Net Assets .....	14-15
Statement of Cash Flows .....	16-17

Fiduciary Funds

Statement of Fiduciary Net Assets.....	18
Statement of Changes in Fiduciary Net Assets .....	19

Notes to Financial Statements.....	20-57
------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual

General Fund .....	58-59
Street and Bridge Fund .....	60

Schedule of Funding Progress

Illinois Municipal Retirement Fund .....	61
Police Pension Fund .....	62
Firefighters' Pension Fund.....	63
Other Postemployment Benefit Plan .....	64

Schedule of Employer Contributions

Illinois Municipal Retirement Fund .....	65
Police Pension Fund .....	66
Firefighters' Pension Fund.....	67
Other Postemployment Benefit Plan .....	68

Notes to Required Supplementary Information .....	69
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CITY OF HIGHLAND PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

Schedule of Detailed Expenditures - Budget and Actual General Fund .....	70-74
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Debt Service Fund .....	75
Capital Projects Fund.....	76

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet .....	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Motor Fuel Tax Fund.....	79
Emergency 911 System Fund.....	80
Tax Increment Financing Fund .....	81
Working Capital Public Facility and Improvement Fund.....	82

MAJOR ENTERPRISE FUNDS

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual Motor Vehicle Parking System Fund .....	83
Water Fund.....	84
Highland Park Country Club Fund.....	85

INTERNAL SERVICE FUNDS

Combining Statement of Net Assets .....	86
Combining Statement of Revenues, Expenses, and Changes in Net Assets .....	87
Combining Statement of Cash Flows.....	88
Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual Equipment Maintenance and Replacement Fund .....	89
Insurance Fund .....	90

CITY OF HIGHLAND PARK, ILLINOIS  
TABLE OF CONTENTS (Continued)

---

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND

FINANCIAL STATEMENTS AND SCHEDULES (Continued)

FIDUCIARY FUNDS

Combining Statement of Plan Net Assets - Pension Trust Funds.....	91
Combining Statement of Changes in Plan Net Assets - Pension Trust Funds...	92
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	93-94

STATISTICAL SECTION

Financial Trends

Statement of Net Assets by Component .....	95
Fund Balances of Governmental Funds.....	96
Change in Net Assets.....	97-99
Changes in Fund Balances of Governmental Funds.....	100-101

Revenue Capacity

Assessed Value and Actual Value of Taxable Property .....	102
Property Tax Rates - All Direct and Overlapping Governments .....	103
Principal Taxpayers .....	104
Property Tax Levies and Collections.....	105
Sales Taxes Analysis by SIC Code.....	106
Sales Tax Rates - All Direct and Overlapping Governments .....	107

Debt Capacity

Ratio of General bonded Debt to Equalized Assessed Valuation and Net General Obligation bonded Debt Per Capita.....	108
Outstanding Debt by Type and Ratio of Total Debt.....	109
Schedule of Direct and Overlapping Debt .....	110
Schedule of Legal Debt Margin .....	111

Demographic and Economic Information

Demographic Statistics .....	112
Principal Employers.....	113

Operating Information

Operating Indicators .....	114
Capital Asset Statistics.....	115
Full-Time Equivalent Employees.....	116

CITY OF HIGHLAND PARK, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2009

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LEGISLATIVE

Michael D. Belsky, Mayor

City Council

James R. Kirsch

Terri R. Olian

Scott Levenfeld

Nancy R. Rotering

Steven W. Mandel

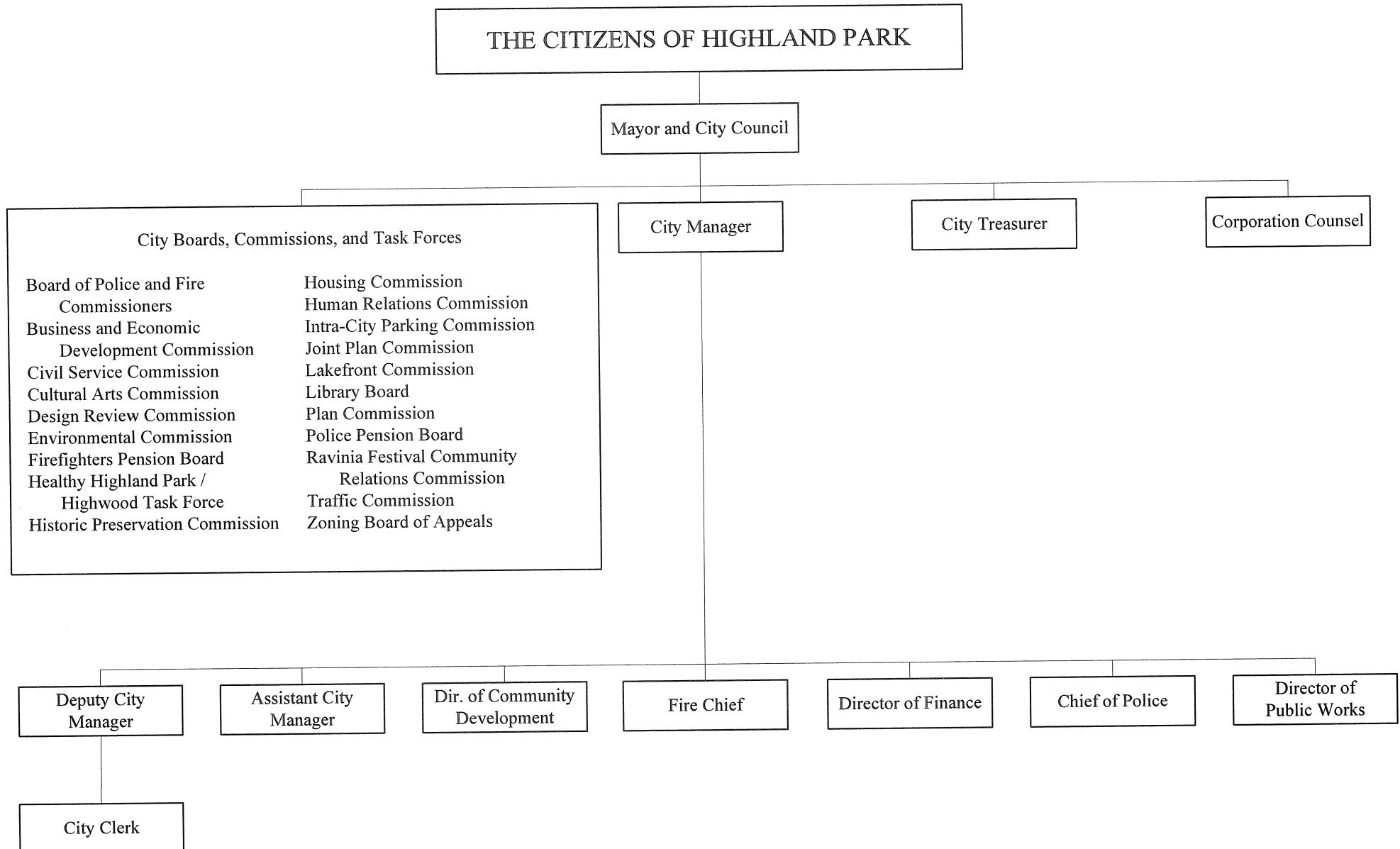
Lawrence D. Silberman

ADMINISTRATIVE

David M. Limardi, City Manager

Elizabeth A. Holleb, Finance Director

Shirley A. Fitzgerald, City Clerk





# 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  
December 31, 2008

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

June 7, 2010

To the Mayor, City Council and the Citizens of Highland Park:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2009.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of the information presented herein. To provide a reasonable basis for making these representations, the City management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their anticipated benefits, the City's objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Sikich LLP, Independent Certified Public Accountants, have issued an unqualified opinion on the City's financial statements for the fiscal year ended December 31, 2009. The independent auditor's report is presented at the front of the financial section of this report.

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

### *Profile of the Government*

The City of Highland Park, incorporated in 1869, has a long-standing heritage as one of the prestigious communities along Chicagoland's "north shore" of Lake Michigan. The City currently occupies a land area of 12.25 square miles, located 26 miles north of Chicago, and serves a population of 31,457. The City automatically became a home-rule unit of government when the 1970 Illinois Constitution was adopted because it had a population in excess of 25,000.



As a home-rule entity, the City has no tax rate or debt limits, nor is it required to conduct a referendum to authorize the issuance of debt or to increase property taxes.

The City has operated under the council-manager form of government since 1955. Policy-making and legislative authority are vested in a seven-member Council composed of a mayor and six council members elected on an at-large basis for four year, staggered terms. The City Council appoints the City Manager, Treasurer, City Clerk, and Corporation Counsel. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services, including police and fire protection; community and economic development; construction and maintenance of the City's streets and other infrastructure; water, sewer, and parking services; youth and senior services; local transit service; and operation of the Highland Park Country Club. The CAFR also includes the activities of the Police and Firefighters' Pension Funds, as well as the Highland Park Public Library, although control of these funds rests with independent boards.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City's Director of Finance so that a budget may be prepared. The City Manager then presents a proposed budget to the City Council for review in November. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than December 31, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager is authorized to transfer budgeted amounts within departments of any fund. Any revisions that alter the total expenditures of any department must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. Also provided is a schedule of detailed expenditures comparing budget and actual information for the General Fund at the function, department, and object level.

### *Local economy*

The impact of national economic conditions continued to impact the City in 2009. These conditions impacted several sectors including construction and real estate, consumer spending, and business spending. Trends in these sectors have an impact on City revenues such as sales tax, building permits, and real estate transfer tax.

Construction and real estate activity remained weak in 2009 contributing to a decline in building permit revenue of 33% in calendar year 2009 compared to calendar year 2008, and a decline in the number of permits issued and total value of permits issued over the same time period of 21% and 6.7% respectively. Real estate transfer taxes continued to be impacted in calendar year 2009 compared to calendar year 2008 with a 32% decline in revenue, while the number of real estate transfer tax transactions remained relatively flat, indicative of the drop in

housing prices experienced in 2009. The City's assessed valuation decreased 2.7% from 2008 to 2009.

Continued reductions in consumer spending and tight credit markets contributed to a further decline in retail sales in 2009. The decline was experienced until late in the year when the City reported a same month increase in sales tax versus the prior year in December 2009, the first such increase in 16 months. Municipal sales tax revenue, exclusive of home rule sales tax revenue, declined 10.13% in calendar year 2009 from calendar year 2008. All categories reported declines with the largest seen in the Lumber, Building & Hardware (-22.53%); Manufacturers (-19.61%); and Furniture, Household and Radio categories (-17.18%). Due in part to federal stimulus programs the City's largest category, Automotive and Filling Stations, declined only 10.52%. The City lost a major manufacturer of plastic containers due to consolidation in 2009 contributing to the decline in the manufacturing category. The second half of 2009 showed positive trends in consumer spending and consumer confidence.

Business spending remained weak for much of 2009 contributing to continued contraction in retail expansion with vacancy rates increasing before dropping slightly late in the year. Despite the trend in business spending, commercial property inquiries remain strong and the City's economic development office is working to attract and retain businesses in all of the City's business districts. In 2008 a partnership of the downtown Property Owners Association, the Highland Park Chamber of Commerce, and the City of Highland Park founded the CBD Alliance. The Alliance was founded to enhance the economic vitality of the City's Central Business District. In support of the Alliance's efforts, CBD property owners have opted to self impose a tax to fund the activities of the CBD Alliance by establishing a special service area. The CBD Alliance launched several marketing efforts in 2009 to promote retail business in the Central Business District.

Deliberate action by the City's elected and appointed officials have ensured adequate reserves to sustain service levels during this period. The 2010 budget was developed to strategically target personnel and expenditure reductions, provide revenue enhancements, defer non-essential capital expenditures and utilize reserves to maintain service levels. Despite the contraction in the national economy and the impact on major City revenue sources, the City's long-term economic outlook remains favorable. The 2009 average unemployment rate for the City was 6.9% compared to the State of Illinois rate of 10.8% and Lake County rate of 11.6%. The per capita income of the City's labor force was \$55,331 according to the latest census, which placed the City among the nation's wealthiest communities with populations of 25,000 or more. Economic trends are being monitored closely to gauge the potential impact on the City's budget in 2010. Expenditures are being reduced and deferred whenever possible, and privatization of services is being considered when a cost savings and consistent level of service can be achieved.

### *Long-term financial planning*

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. The City has taken action to ensure that funding for the existing infrastructure will be increased. Effective January 1,

2003, an additional one-half percent home-rule sales tax was imposed on the sale of general merchandise. This incremental tax yields more than \$2 million in additional sales tax revenue per year, and has been used to fund infrastructure improvements and the abatement of the debt service property tax levy planned for various capital projects.

The City continues an aggressive capital plan for infrastructure improvements, committing \$3.8 million per year for street, bridge, sanitary sewer, ravine remediation and storm sewer improvements. An additional \$1 million in water revenues are pledged for capital improvements to the water production and distribution systems each year. Incorporated within the annual budget preparation process is the development of a five-year capital improvement program to ensure adequate long-term financial planning.

### *Relevant financial policies*

Unreserved, undesignated fund balance in the general fund is currently 39% of annualized general fund expenditures, exceeding the City's policy guidelines set by the Council for budgetary and planning purposes (25-33 percent of general fund expenditures). These reserves are vital to ensuring the City's ability to weather the current national economic conditions.

During Fiscal Year 2007, the City early implemented Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The City Council has set aside nearly \$4 million to meet future requirements associated with other postemployment benefits and has budgeted an additional \$0.4 million in the 2010 budget. Please refer to the notes to the financial statements for additional information.

### *Major initiatives*

The City has continued a \$23 million project to improve its water treatment plant, which was originally constructed in 1929. The project includes replacement of aging infrastructure and other improvements to address regulatory requirements, improve reliability, and increase the capacity of the water plant from 21 million gallons per day to 30 million gallons. The project is currently in the design phase and construction is expected to begin in 2010. Due to the significant portion of water revenues received from contract customers, the City successfully re-negotiated its service contracts with the Villages of Deerfield, Lincolnshire, and Bannockburn, as well as Glenbrook Sanitary District, to ensure that these contracts are secured through the expected term of the bonds.

To advance the City's long-standing commitment to performing and visual arts, promote continued economic development in the Commercial Business District, and preserve historic structures in the community, the City purchased the Highland Park Theater located on the eastern border of the Central Business District. An enhanced performing arts theater in downtown Highland Park will attract local and non-local arts patrons which will benefit nearby commercial businesses, generating sales tax and supporting the creation of local jobs.

### *Awards and Acknowledgements*

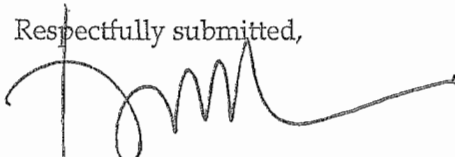
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Highland Park for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

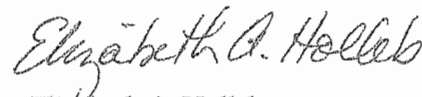
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2009. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also goes to the Mayor and the City Council for their unwavering support for maintaining the highest standards of professionalism in the management of the City of Highland Park's finances.

Respectfully submitted,



David M. Limardi  
City Manager



Elizabeth A. Holleb  
Finance Director



998 Corporate Boulevard • Aurora, IL 60502

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland Park, Illinois, as of and for the year ended December 31, 2009, which collectively comprise the City of Highland Park, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Highland Park, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Highland Park, Illinois, as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Highland Park, Illinois' basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the City of Highland Park, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the information contained in the introductory and statistical sections. Accordingly, we do not express an opinion thereon.

Aurora, Illinois  
April 22, 2010

A handwritten signature in cursive script, appearing to read "AHL 22P", is written in dark ink.



## Management's Discussion and Analysis

As management of the City of Highland Park (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the twelve months ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities at December 31, 2009 by \$155.3 million (net assets).
- The government's total net assets decreased by \$9,857,330 during the twelve months ended December 31, 2009. Business-type activities resulted in a \$505,400 decrease, while net assets of governmental activities decreased by \$9,667,217. The decrease in governmental activities is partially due to depreciation in the fair market value of investments held in the General Fund.
- As of December 31, 2009, the City's governmental funds reported combined ending fund balances of \$38.5 million, a decrease of \$9.65 million in comparison with the prior fiscal period. This decrease is due primarily to a \$5.88 million depreciation in the fair market value of investments and anticipated draw down of general fund balance due to national economic conditions. Of the total fund balance, \$13.29 million is available for spending in the General Fund at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal period, unreserved and undesignated fund balance of the general fund was \$13,287,837, or 39% of total general fund annual expenditures, exceeding the City's policy to maintain a minimum balance of 25-33%.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, economic and physical development, transit, commissions and interest costs. The business-type activities of the City include a parking system, water utility, and operations of the Highland Park Country Club.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate library for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 3 - 5 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, street and bridge fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation labeled *nonmajor governmental funds*. Individual fund data for each of these nonmajor governmental funds is provided in the *combining statements and schedules* provided on pages 77 - 82 in this report.

The City adopts an annual appropriated budget for its governmental funds, with the exception of the Foreign Fire Insurance Tax Fund. Budgetary comparisons have been provided to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 6 - 11 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its parking, water, and country club operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its equipment maintenance and replacement, as well as certain insurance activities. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the parking, water, and country club operations, all of which are considered to be major funds of the City. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining and individual fund statements and schedules* on pages 86 - 90 in this report.

The basic proprietary fund financial statements can be found on pages 12 - 17 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 18 - 19 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 - 57 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Budgetary comparisons for the general fund and street and bridge fund are provided, as well as information concerning the City's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees. Required supplementary information can be found on pages 58 - 69 of this report.

The combining statements and schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 70 - 94 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$155.3 million at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (81.5%) is its investment in capital assets – land, buildings, machinery, and equipment – less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; thus, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (3.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (15.2% of total) may be used to meet the government's ongoing obligations to citizens and creditors.

**City of Highland Park's Net Assets  
December 31, 2009**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>12/31/2009</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2008</b>	<b>12/31/2009</b>	<b>12/31/2008</b>
Current and Other Assets	\$58,913,590	\$69,292,648	12,345,835	13,178,009	71,259,425	82,470,657
Capital Assets	119,012,062	121,129,933	35,197,554	35,960,037	154,209,616	157,089,970
<b>Total Assets</b>	<b>177,925,652</b>	<b>190,422,581</b>	<b>47,543,389</b>	<b>49,138,046</b>	<b>225,469,041</b>	<b>239,560,627</b>
Long-Term Liabilities Outstanding	43,141,090	45,458,896	12,649,581	13,461,882	55,790,671	58,920,778
Other Liabilities	13,711,128	14,538,321	593,901	870,857	14,305,029	15,409,178
<b>Total Liabilities</b>	<b>56,852,218</b>	<b>59,997,217</b>	<b>13,243,482</b>	<b>14,332,739</b>	<b>70,095,700</b>	<b>74,329,956</b>
Net Assets:						
Capital Assets, net of Debt	97,194,831	96,490,406	29,453,502	30,126,135	126,648,333	126,616,541
Restricted	5,139,201	7,107,210	0	0	5,139,201	7,107,210
Unrestricted	18,739,402	26,827,748	4,846,405	4,679,172	23,585,807	31,506,920
<b>Total Net Assets</b>	<b>121,073,434</b>	<b>130,425,364</b>	<b>34,299,907</b>	<b>34,805,307</b>	<b>155,373,341</b>	<b>165,230,671</b>

The City reports positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The City has adopted a philosophy of funding capital improvements to a large extent on a pay-as-you-go basis, and retires debt obligations quickly, resulting in the positive net asset calculations.

Within the governmental activities, the City decreased "Current and Other Assets" and "Unrestricted Net Assets", primarily as a result of the depreciation in fair market value of investments and increased cash balances. "Capital Assets" decreased primarily as a result of depreciation.

A breakdown of the change in net assets follows:

Water Utility	\$157,473
Parking System	(58,821)
Country Club	(604,052)
Governmental Activities	(9,667,217)
Change in Net Assets	(\$10,172,617)

Reductions in Net Assets of the Parking and Country Club funds are discussed in more detail on page MD&A-7.

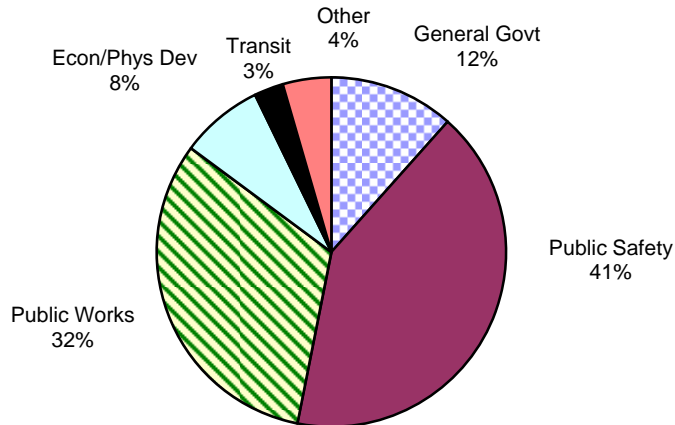
### City of Highland Park's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Program Revenues						
Charges for Services	\$7,697,732	\$9,489,286	10,039,644	10,773,041	17,737,376	20,262,327
Operating Grants	1,020,613	796,375	0	0	1,020,613	796,375
Capital Grants	658,069	780,469	150,000	289,084	808,069	1,069,553
General Revenues						
Property Taxes	11,047,744	10,628,574	0	0	11,047,744	10,628,574
Sales Taxes	11,077,115	12,451,204	0	0	11,077,115	12,451,204
Other Taxes	10,459,051	11,959,642	0	0	10,459,051	11,959,642
Payment in Lieu of Taxes	496,932	0	0	0	496,932	0
Other	(5,838,409)	6,470,264	294,151	393,686	(5,544,258)	6,863,950
<b>TOTAL REVENUES</b>	<b>36,618,847</b>	<b>52,575,814</b>	<b>10,483,795</b>	<b>11,455,811</b>	<b>47,102,642</b>	<b>64,031,625</b>
Expenses						
General Government	4,835,221	5,682,530	0	0	4,835,221	5,682,530
Public Safety	20,411,508	20,358,646	0	0	20,411,508	20,358,646
Public Works	14,075,727	15,695,341	0	0	14,075,727	15,695,341
Economic/Physical Dev	3,695,884	3,765,001	0	0	3,695,884	3,765,001
Transit	1,276,898	1,325,557	0	0	1,276,898	1,325,557
Commissions	432,148	432,611	0	0	432,148	432,611
Interest	1,658,678	1,764,585	0	0	1,658,678	1,764,585
Parking	0	0	974,973	1,160,791	974,973	1,160,791
Water	0	0	6,843,685	6,993,813	6,843,685	6,993,813
Country Club	0	0	3,070,537	3,182,348	3,070,537	3,182,348
<b>TOTAL EXPENSES</b>	<b>46,386,064</b>	<b>49,024,271</b>	<b>10,889,195</b>	<b>11,336,952</b>	<b>57,275,259</b>	<b>60,361,223</b>
Increase in Net Assets before Transfers, Special Items and Contributions	(9,767,217)	3,551,543	(405,400)	118,859	(10,172,617)	3,670,402
Special Items	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
Transfers	100,000	100,000	(100,000)	(100,000)	0	0
<b>Increase in Net Assets</b>	<b>(9,667,217)</b>	<b>3,651,543</b>	<b>(505,400)</b>	<b>18,859</b>	<b>(10,172,617)</b>	<b>3,670,402</b>

- Property tax revenue increased by \$419,170 (3.94%) over the prior year, due to a 4.05% increase in the annual levy and increased Tax Increment revenues resulting from increased assessed valuation in the Tax Increment Financing District. Although the City is a home-rule municipality and not subject to property tax limitations, the property tax levy has increased by an average of only 2.1% per year over the past ten years.
- Sales tax revenue for calendar year 2009, compared to calendar year 2008, decreased by \$1,374,089 (11.04%), reflective of national economic conditions. Comparison of other taxes for the period ending December 31, 2009, compared to 2008, reveal an increase in cable television franchise fees (12%). However, national economic conditions contributed to declines in income taxes (14.56%), local use taxes (16.93%), replacement tax (15.64%), utility taxes (16.44%), hotel taxes (34.8%), and real estate transfer taxes (32.43%).

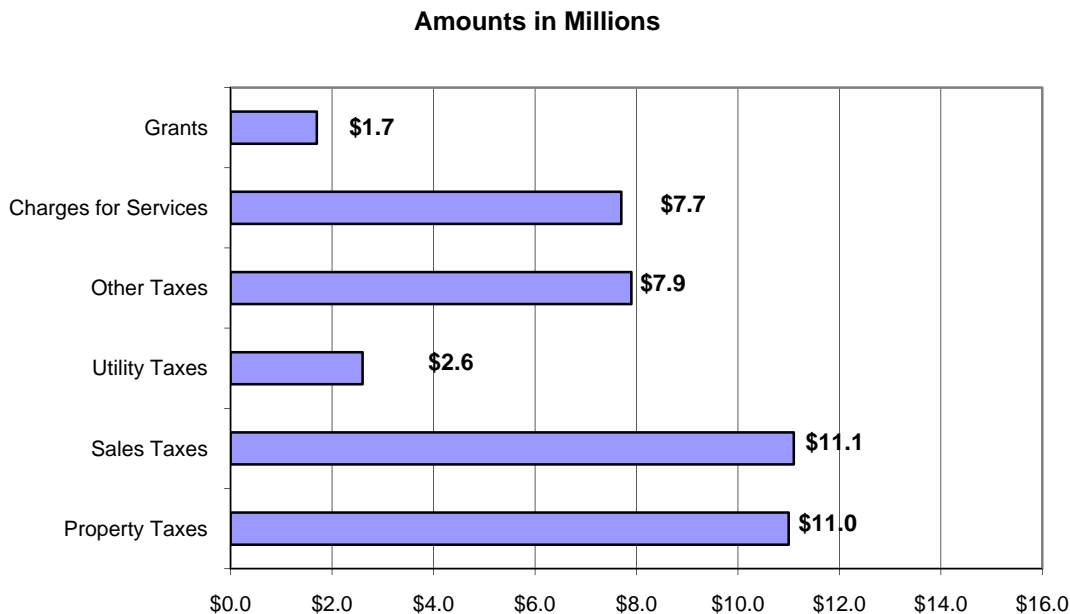
- The decrease in other revenues is attributable in large part to an unrealized loss of \$6,632,401 to reflect General Fund investments at fair market value.
- Expenses decreased \$2,638,207 due to adjustments in personnel and other cost containment measures implemented by the City to offset declining revenues.

### Expenses and Program Revenues – Governmental Activities



Public Safety expenses (police and fire) account for the greatest percent of governmental activities with 44%, followed by public works, general government, and economic/physical development.

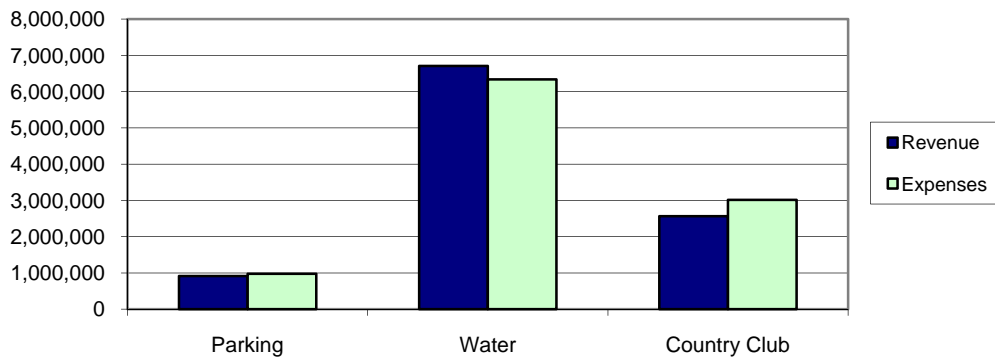
### Revenues by Source – Governmental Activities



Sales taxes account for the greatest proportion of funding for governmental activities on an annualized basis, followed by property taxes and other taxes. Growth in expenses has been closely monitored for ten consecutive years, with operating departments mandated to contain non-personnel related operating costs. However, the City has continued an aggressive capital improvement plan, investing \$3.8 million annually in street, sewer and ravine improvements from governmental revenues.

## Business-Type Activities

Business-type activities decreased the City's net assets by \$505,400. As noted previously, business-type activities are intended to be self sufficient – charges for services should be sufficient to cover all costs associated with the operation. The following graph shows a comparison of revenues and expenses of each business-type activity:



- Net assets of the parking fund decreased by \$58,821 in the current fiscal year, the majority of which is due to depreciation.
- The water utility fund net assets increased by \$157,473, which includes a \$150,000 contribution associated with the Laurel Park water main.
- Net assets of the country club fund decreased by \$604,052, the majority of which is due to decreased golf and banquet revenues, as well as depreciation.
- Revenue of business-type activities is almost exclusively charges for services. During the current fiscal period, non-operating revenues/expenses totaled (\$267,171).

## Financial Analysis of the City's Funds

As noted earlier, the City utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* serves as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2009, the City's governmental funds reported combined ending fund balances of \$38.6 million, a decrease of \$9.6 million in comparison with the prior fiscal year. As noted previously, a large portion of this increase is the result of an unrealized loss of \$5.88 million included in investment income of the General Fund associated with the reporting of investments at fair market value. Of the total fund balance, \$13.3 million constitutes *unreserved, undesignated fund balance* in the General Fund, which is available for spending at the government's discretion. *Reserved fund balance* totaling \$21.4 million is not available for discretionary spending because it has already been committed for a variety of purposes, including police and fire pension obligations, payment of debt service, long-term loans receivable, public facilities, street improvements, and public safety expenditures (E-911 Fund).

The City also reports a *designated fund balance* of \$4 million in the General Fund to meet future obligations for other post-employment benefits. Please refer to page 7 for a detailed description and amounts of reserved fund balance.

The general fund is the primary operating fund of the City. At the end of the current fiscal period, unreserved and undesignated fund balance of the general fund was \$13.3 million. As a measure of the general fund's liquidity, it is useful to compare unreserved fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 39% of total general fund expenditures for the 2009 fiscal year. The unreserved, undesignated fund balance of the general fund decreased by \$1.6 million during the current fiscal period. The decrease in fund balance was anticipated to maintain service levels as national economic conditions negatively impacted City revenue sources.

The street and bridge fund has a total fund balance of \$330,905. For the current fiscal year, fund balance decreased by \$30,196, which was due primarily to lower than anticipated permit revenue due to national economic conditions.

The debt service fund has a total fund balance of \$976,446, all of which is reserved for the payment of debt service. During the current fiscal year, the fund posted a \$72,021 increase in fund balance.

The capital projects fund has a fund balance of \$2.2 million at December 31, 2009. During the current fiscal year, the fund posted a \$2.4 million decrease in fund balance due primarily to current year expenditures funded by prior year bond proceeds.

Nonmajor governmental funds combined for a total fund balance of \$1.58 million at year end.

***Proprietary funds.*** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the parking system totaled \$5.1 million at December 31, 2009. Net assets of the water utility fund amounted to \$19.4 million. Net assets of the country club operation amounted to \$9.8 million. The total reduction in net assets for all proprietary funds was \$505,400. Factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

The General Fund budget was amended during the fiscal period to transfer appropriations between operating departments and to provide for unanticipated expenditures. Actual revenues were under budget by \$9.5 million, due in large part to a \$5.9 million adjustment of the fair market value of investments, a financial reporting adjustment that is not budgeted. Positive variances were reported in interest income, fines and forfeitures, licenses and charges for service which partially offset shortfalls in sales tax, income tax, utility tax, real estate transfer tax and permits. Total general fund expenditures were 88% of budget, resulting in a budgetary savings of \$4.2 million. General fund transfers out totaled \$2.3 million. Due to the impact of national economic conditions the City projected a drawdown of general fund balance of \$1.7 million.



## Capital Asset and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business type activities as of December 31, 2009, amounts to \$126.6 million, net of accumulated depreciation and outstanding related debt. This investment in capital assets includes land, buildings, other improvements, machinery and equipment, streets, bridges, sanitary and storm sewers, and water production and distribution systems.

Major capital asset events during the current fiscal year included the following:

- Water system improvements totaling \$1.1 million, consisting primarily of the water treatment plant improvement project, but also including the Laurel Park and St. Johns/Lambert Tree water main dedication and improvements.
- Infrastructure improvements totaled \$543,489, including improvements at Linden Avenue, Pleasant Avenue, and dedication of storm sewer improvements.
- Building assets increased due to the purchase of the Highland Park Theater.

### City of Highland Park's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Land	\$8,923,202	\$8,923,202	\$4,981,323	\$4,981,323	\$13,904,525	\$13,904,525
Buildings and improvements	52,752,590	52,132,889	14,653,609	15,409,267	67,406,199	67,542,156
Machinery and equipment	4,354,104	4,760,052	968,983	1,158,842	5,323,087	5,918,894
Infrastructure	52,982,166	55,313,790	13,747,346	14,310,302	66,729,512	69,624,092
Construction in progress	-	-	846,293	100,303	846,293	100,303
Total	\$119,012,062	\$121,129,933	\$35,197,554	\$35,960,037	\$154,209,616	\$157,089,970

Additional information on the City's capital assets can be found in note 5 on pages 33 - 34 of this report.

**Long-term debt.** At the end of the current fiscal period, the City had total general obligation bonded debt outstanding of \$50,006,926. Of this amount, \$37,516,926 comprises debt to be paid by the debt service fund from general governmental revenues. The remainder of the City's debt will be paid from revenue of business-type activities.

### City of Highland Park's Outstanding Debt General Obligation Bonds

	Governmental activities		Business-type activities		Total	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009	12/31/2008
Total	\$37,516,926	\$40,506,914	\$12,490,000	\$13,255,000	\$50,006,926	\$53,761,914

The City's total bonded debt decreased by \$3.75 million during the current fiscal period. The City's general obligation bonds maintain a "Aaa" rating from Moody's Investors Service.

Under the 1970 Illinois Constitution, there is no legal debt limit for home rule municipalities except as set by the General Assembly. If the City were subject to such a limitation, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. Currently, the City's direct bonded debt of \$50 million represents 1.85% of the City's equalized assessed valuation.

Additional information on the City's long-term debt can be found in the Notes to Financial Statements note 7 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The City has a long-standing heritage as one of the prestigious communities along Chicagoland's "north shore" of Lake Michigan. The long term economic outlook remains strong as the City's stable property tax base consists of 92% residential property. Economic trends in the second half of 2009 began to stabilize. If these trends in the housing and retail markets continue the City anticipates little change in the assessed value and stabilized or slightly increased sales tax, building permit and real estate transfer tax revenues. With sales tax being the primary revenue source for general fund operations, the City continues to monitor this revenue closely and take steps to promote retail sales in the City. Other economic factors impacting the City's budget are as follows:

- The unemployment rate for the City is currently 6.9%, which compares favorably to the 11.6% rate for Lake County and 10.8% rate for the State of Illinois.
- Sales taxes, exclusive of home rule sales taxes, decreased in 2009 compared to 2008 by 11.04%. In December 2009, the City experienced the first same month year to year increase since July 2008.
- The per capita income of the City's labor force was \$55,331 according to the latest census, which placed the City among the nation's wealthiest communities with populations of 25,000 or more.

The City monitors sales tax, building permit and real estate transfer tax revenue on a monthly basis, as these three revenue sources may be impacted by national economic conditions. This practice allows the City to continually assess the need for reduced expenditures to offset revenue shortfalls.

Employee benefit expenditures continue to increase due to mandated pension costs and health and dental insurance. In response to national economic conditions, the City took several steps to ensure fiscal sustainability in preparation of the 2010 budget including reduction of full time equivalent positions of 15.10, targeted expenditure reductions, deferring non-essential capital expenditures and analyzing fees to achieve greater cost recovery.

The 2010 budget projects an \$800,000 decrease in unreserved fund balance of the general fund to maintain service levels due to reductions in sales tax, building permit and real estate transfer tax revenues.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Office of the Finance Director, City of Highland Park, 1707 St. Johns Avenue, Highland Park, Illinois 60035.

## CITY OF HIGHLAND PARK, ILLINOIS

## STATEMENT OF NET ASSETS

December 31, 2009

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Highland Park Public Library
<b>ASSETS</b>				
Cash	\$ 18,381,920	\$ 4,521,271	\$ 22,903,191	\$ 151,208
Investments	18,528,941	7,345,618	25,874,559	2,390,865
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	11,095,124	-	11,095,124	3,876,663
Motor fuel tax allotments	119,658	-	119,658	-
Intergovernmental	4,601,756	6,850	4,608,606	-
Loans	362,500	-	362,500	-
Accounts	1,087,739	978,778	2,066,517	1,197
Accrued interest	63,580	-	63,580	-
Prepaid expenses	156,653	31,884	188,537	27,564
Inventory	-	41,337	41,337	-
Due to/from other funds	650,000	(650,000)	-	-
Deferred charges	57,364	70,097	127,461	-
Net pension asset	3,808,355	-	3,808,355	-
Capital assets not being depreciated	8,923,202	5,827,616	14,750,818	500,000
Capital assets being depreciated, net of accumulated depreciation	110,088,860	29,369,938	139,458,798	2,417,645
<b>Total assets</b>	<b>177,925,652</b>	<b>47,543,389</b>	<b>225,469,041</b>	<b>9,365,142</b>
<b>LIABILITIES</b>				
Accounts payable	1,856,378	321,788	2,178,166	99,973
Accrued payroll	580,931	175,811	756,742	37,899
Accrued interest payable	64,912	1,440	66,352	-
Unearned revenues	11,155,290	-	11,155,290	3,881,758
Refundable deposits	53,617	94,862	148,479	-
Noncurrent liabilities				
Due within one year	4,419,842	795,000	5,214,842	16,350
Due in more than one year	38,721,248	11,854,581	50,575,829	249,718
<b>Total liabilities</b>	<b>56,852,218</b>	<b>13,243,482</b>	<b>70,095,700</b>	<b>4,285,698</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	97,194,831	29,453,502	126,648,333	2,917,645
Restricted for				
Debt service	1,338,946	-	1,338,946	-
Public safety	739,203	-	739,203	-
Public facilities	68,764	-	68,764	-
Highways and streets	2,534,915	-	2,534,915	-
Economic development	457,373	-	457,373	-
Culture and recreation	-	-	-	493,539
Unrestricted	18,739,402	4,846,405	23,585,807	1,668,260
<b>TOTAL NET ASSETS</b>	<b>\$ 121,073,434</b>	<b>\$ 34,299,907</b>	<b>\$ 155,373,341</b>	<b>\$ 5,079,444</b>

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK, ILLINOIS

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,835,221	\$ 1,181,576	\$ -	\$ -
Public safety	20,411,508	1,788,480	245,596	465,415
Public works	14,075,727	2,832,744	775,017	191,654
Economic and physical development	3,695,884	757,302	-	-
Transit	1,276,898	1,137,630	-	-
Commissions	432,148	-	-	1,000
Interest	1,658,678	-	-	-
Total governmental activities	46,386,064	7,697,732	1,020,613	658,069
Business-Type Activities				
Parking system	974,973	916,139	-	-
Water	6,843,685	6,557,023	-	150,000
Country club	3,070,537	2,566,482	-	-
Total business-type activities	10,889,195	10,039,644	-	150,000
TOTAL PRIMARY GOVERNMENT	\$ 57,275,259	\$ 17,737,376	\$ 1,020,613	\$ 808,069
COMPONENT UNIT				
Highland Park Public Library	\$ 4,222,522	\$ 103,381	\$ 84,587	\$ -

Net (Expense) Revenue and Change in Net Assets				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Highland Park Public Library	
\$ (3,653,645)	\$ -	\$ (3,653,645)	\$ -	
(17,912,017)	-	(17,912,017)	-	
(10,276,312)	-	(10,276,312)	-	
(2,938,582)	-	(2,938,582)	-	
(139,268)	-	(139,268)	-	
(431,148)	-	(431,148)	-	
(1,658,678)	-	(1,658,678)	-	
(37,009,650)	-	(37,009,650)	-	
-	(58,834)	(58,834)	-	
-	(136,662)	(136,662)	-	
-	(504,055)	(504,055)	-	
-	(699,551)	(699,551)	-	
(37,009,650)	(699,551)	(37,709,201)	-	
-	-	-	(4,034,554)	
General Revenues				
Taxes				
Property	11,047,744	-	11,047,744	3,851,318
Replacement	291,142	-	291,142	41,562
Home rule sales	3,935,067	-	3,935,067	-
Sales	7,142,048	-	7,142,048	-
Utility	2,595,912	-	2,595,912	-
Franchise	2,542,276	-	2,542,276	-
Real estate transfer	812,399	-	812,399	-
Income	2,447,710	-	2,447,710	-
Other	1,769,612	-	1,769,612	-
Payment in lieu of taxes	496,932	-	496,932	-
Investment income				
Interest income	793,992	7,573	801,565	15,652
Net appreciation (depreciation) in fair value of investments	(6,632,401)	286,578	(6,345,823)	-
Transfers	100,000	(100,000)	-	-
Total	27,342,433	194,151	27,536,584	3,908,532
CHANGE IN NET ASSETS	(9,667,217)	(505,400)	(10,172,617)	(126,022)
NET ASSETS, JANUARY 1	130,425,364	34,805,307	165,230,671	5,205,466
Prior period adjustment	315,287	-	315,287	-
NET ASSETS, JANUARY 1, RESTATED	130,740,651	34,805,307	165,545,958	5,205,466
NET ASSETS, DECEMBER 31	\$ 121,073,434	\$ 34,299,907	\$ 155,373,341	\$ 5,079,444

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2009

	General	Street and Bridge	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 13,329,986	\$ 120,320	\$ 976,446	\$ 99,153	\$ 847,519	\$ 15,373,424
Investments	16,212,900	-	-	1,946,917	369,124	18,528,941
Receivables						
Property taxes	4,404,098	1,829,000	3,399,945	1,312,081	150,000	11,095,124
Motor fuel tax allotments	-	-	-	-	119,658	119,658
Intergovernmental	4,446,037	-	-	155,719	-	4,601,756
Loans	-	-	-	-	362,500	362,500
Accounts	655,568	277,611	-	102,593	-	1,035,772
Accrued interest	63,580	-	-	-	-	63,580
Due from other funds	650,000	111,000	-	-	-	761,000
<b>TOTAL ASSETS</b>	<b>\$ 39,762,169</b>	<b>\$ 2,337,931</b>	<b>\$ 4,376,391</b>	<b>\$ 3,616,463</b>	<b>\$ 1,848,801</b>	<b>\$ 51,941,755</b>

	General	Street and Bridge	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,005,482	\$ 162,789	\$ -	\$ 85,658	\$ 2,545	\$ 1,256,474
Accrued payroll	493,912	15,237	-	-	1,688	510,837
Deferred revenue	4,735,926	1,829,000	3,399,945	1,323,795	150,000	11,438,666
Due to other funds	-	-	-	-	111,000	111,000
Refundable deposits	50,617	-	-	3,000	-	53,617
Total liabilities	6,285,937	2,007,026	3,399,945	1,412,453	265,233	13,370,594
<b>FUND BALANCES</b>						
Reserved for debt service	-	-	976,446	-	-	976,446
Reserved for loans	-	-	-	-	362,500	362,500
Reserved for public facilities	-	-	-	-	68,764	68,764
Reserved for employee retirement	16,212,900	-	-	-	-	16,212,900
Reserved for public safety	-	-	-	-	739,203	739,203
Reserved for streets	-	330,905	-	2,204,010	-	2,534,915
Reserved for economic development	-	-	-	-	457,373	457,373
Unreserved						
Designated						
Other postemployment benefits	3,975,495	-	-	-	-	3,975,495
Undesignated						
General Fund	13,287,837	-	-	-	-	13,287,837
Special Revenue Fund	-	-	-	-	(44,272)	(44,272)
Total fund balances	33,476,232	330,905	976,446	2,204,010	1,583,568	38,571,161
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 39,762,169</b>	<b>\$ 2,337,931</b>	<b>\$ 4,376,391</b>	<b>\$ 3,616,463</b>	<b>\$ 1,848,801</b>	<b>\$ 51,941,755</b>

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

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

December 31, 2009

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 38,571,161
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	119,012,062
Less amount reported in internal service funds below	(2,659,352)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(37,516,926)
Deferred charges such as bond discounts, issue costs, and losses on refundings are expenditures in the governmental funds but shown as an asset on the statement of net assets	57,364
Accrued interest on long-term liabilities is shown as a liability on the statement of net assets	(64,912)
Net pension asset for the fire and police pension funds is shown as an asset on the statement of net assets	3,808,355
The net other postemployment benefit obligation is shown as a liability on the statement of net assets	(3,584,873)
The compensated absences liability for the City and certain claims payable are not due and payable in the current period and, therefore, not reported in the governmental funds	(2,239,291)
Certain revenues are deferred at the fund level on the modified accrual basis of accounting but not at the entity-wide level	483,376
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	<u>5,206,470</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 121,073,434</u></u>

See accompanying notes to financial statements.



CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	General	Street and Bridge	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 4,149,794	\$ 2,021,059	\$ 3,405,351	\$ 1,306,471	\$ 165,068	\$ 11,047,743
Illinois state replacement taxes	291,142	-	-	-	-	291,142
Licenses and permits	1,020,645	818,681	-	-	-	1,839,326
Charges for current services	1,821,235	1,853,308	-	25,160	-	3,699,703
Municipal sales tax	11,077,114	-	-	-	-	11,077,114
Fines and forfeitures	367,191	13,950	-	-	-	381,141
Utility tax	2,595,912	-	-	-	-	2,595,912
Real estate transfer tax	812,399	-	-	-	-	812,399
Motor fuel tax allotments	-	-	-	-	775,017	775,017
Intergovernmental	246,596	-	-	-	98,878	345,474
Illinois state income tax	2,447,710	-	-	-	-	2,447,710
Regional Transportation Authority reimbursement	1,137,630	-	-	-	-	1,137,630
Franchise fees	2,542,276	-	-	-	-	2,542,276
Payment in lieu of taxes	496,932	-	-	-	-	496,932
Other taxes	1,217,525	453,210	-	-	-	1,670,735
Reimbursements - other agencies	109,911	-	-	41,111	-	151,022
Investment income						
Interest income	776,943	1,028	1,772	3,394	10,855	793,992
Net appreciation (depreciation) in fair value of investments	(5,879,301)	-	-	15,441	-	(5,863,860)
Miscellaneous	409,851	79,060	-	-	465,415	954,326
Total revenues	25,641,505	5,240,296	3,407,123	1,391,577	1,515,233	37,195,734

	General	Street and Bridge	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>EXPENDITURES</b>						
Current						
General government	\$ 4,821,067	\$ -	\$ -	\$ -	\$ -	\$ 4,821,067
Public safety	18,755,843	-	-	-	622,499	19,378,342
Public works	1,746,574	5,187,973	-	-	857,832	7,792,379
Economic and physical development	3,344,248	-	-	-	-	3,344,248
Transit	1,269,275	-	-	-	-	1,269,275
Commissions	181,066	-	-	-	-	181,066
Debt service						
Principal	-	-	2,989,988	-	-	2,989,988
Interest and fiscal charges	-	-	1,652,888	-	-	1,652,888
Capital outlay	-	82,519	-	5,750,644	-	5,833,163
Total expenditures	30,118,073	5,270,492	4,642,876	5,750,644	1,480,331	47,262,416
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,476,568)	(30,196)	(1,235,753)	(4,359,067)	34,902	(10,066,682)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,307,774	1,950,000	-	3,257,774
Transfers (out)	(3,157,774)	-	-	-	-	(3,157,774)
Total other financing sources (uses)	(3,157,774)	-	1,307,774	1,950,000	-	100,000
NET CHANGES IN FUND BALANCES	(7,634,342)	(30,196)	72,021	(2,409,067)	34,902	(9,966,682)
FUND BALANCES, JANUARY 1	40,795,287	361,101	904,425	4,613,077	1,548,666	48,222,556
Prior period adjustment	315,287	-	-	-	-	315,287
FUND BALANCES, JANUARY 1, RESTATED	41,110,574	361,101	904,425	4,613,077	1,548,666	48,537,843
FUND BALANCES, DECEMBER 31	\$ 33,476,232	\$ 330,905	\$ 976,446	\$ 2,204,010	\$ 1,583,568	\$ 38,571,161

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

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NET CHANGE IN FUND BALANCES -		
TOTAL GOVERNMENTAL FUNDS		\$ (9,966,682)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities		2,961,197
Certain revenues are deferred in governmental funds but not in governmental activities		(768,541)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		2,989,988
The decrease in accrued interest payable is shown as an addition to expense on the statement of activities		930
Some expenses in the statement of activities (e.g., depreciation and amortization) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Depreciation	\$ (4,812,950)	
Amortization	(6,720)	
Loss on disposal of capital assets	<u>(25,428)</u>	(4,845,098)
The change in compensated absences payable is shown as an expense on the statement of activities		138,274
The increase in net pension asset is reported as a decrease in expense on the statement of activities		379,958
The increase in net other postemployment benefits obligation is reported as an expense on the statement of activities		(810,456)
The change in net assets of certain activities of internal service funds is in governmental funds		<u>253,213</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (9,667,217)</u></u>

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS

December 31, 2009

	Business-Type Activities				Governmental Activities Internal Service
	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals	
CURRENT ASSETS					
Cash	\$ 1,224,529	\$ 3,076,610	\$ 220,132	\$ 4,521,271	\$ 3,008,496
Investments	-	7,345,618	-	7,345,618	-
Receivables					
Billed	-	151,957	72,973	224,930	51,967
Unbilled	-	753,848	-	753,848	-
Due from other governments	6,850	-	-	6,850	-
Prepaid expenses	-	-	31,884	31,884	156,653
Inventories	-	-	41,337	41,337	-
Total current assets	1,231,379	11,328,033	366,326	12,925,738	3,217,116
NONCURRENT ASSETS					
Capital Assets					
Land	1,319,165	66,958	3,595,200	4,981,323	-
Construction in progress	-	846,293	-	846,293	-
Parking facilities and equipment	4,473,408	-	-	4,473,408	-
Water plant and equipment	-	44,387,688	-	44,387,688	-
Country club facilities and equipment	-	-	11,473,102	11,473,102	-
Equipment	-	-	-	-	10,872,171
Less accumulated depreciation	(1,882,180)	(25,116,401)	(3,965,679)	(30,964,260)	(8,212,819)
Net capital assets	3,910,393	20,184,538	11,102,623	35,197,554	2,659,352
Deferred charges	-	65,129	4,968	70,097	-
Total noncurrent assets	3,910,393	20,249,667	11,107,591	35,267,651	2,659,352
Total assets	5,141,772	31,577,700	11,473,917	48,193,389	5,876,468

(This statement is continued on the following page.)

## CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF NET ASSETS (Continued)  
PROPRIETARY FUNDS

December 31, 2009

	Business-Type Activities				Governmental Activities Internal Service
	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals	
CURRENT LIABILITIES					
Accounts payable	\$ 40,696	\$ 217,605	\$ 63,487	\$ 321,788	\$ 599,904
Accrued payroll	1,898	149,666	24,247	175,811	70,094
Due to other funds	-	-	650,000	650,000	-
Refundable deposits	-	-	94,862	94,862	-
Interest payable	-	1,321	119	1,440	-
Bonds payable - current	-	595,000	200,000	795,000	-
Total current liabilities	42,594	963,592	1,032,715	2,038,901	669,998
LONG-TERM LIABILITIES					
Bond premium (discount)	-	(24,883)	(2,795)	(27,678)	-
Net other postemployment benefit obligation	-	187,259	-	187,259	-
General obligation bonds payable	-	11,020,000	675,000	11,695,000	-
Total long-term liabilities	-	11,182,376	672,205	11,854,581	-
Total liabilities	42,594	12,145,968	1,704,920	13,893,482	669,998
NET ASSETS					
Invested in capital assets, net of related debt	3,910,393	15,312,691	10,230,418	29,453,502	2,659,352
Unrestricted	1,188,785	4,119,041	(461,421)	4,846,405	2,547,118
TOTAL NET ASSETS	\$ 5,099,178	\$ 19,431,732	\$ 9,768,997	\$ 34,299,907	\$ 5,206,470

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-Type Activities				Governmental
	Motor Vehicle Parking System	Water	Highland Park Country Club	Totals	Activities Internal Service
OPERATING REVENUES					
Charges for services					
Water sales	\$ -	\$ 6,498,202	\$ -	\$ 6,498,202	\$ -
Water permit fees	-	41,431	-	41,431	-
Parking lot collections	609,349	-	-	609,349	-
Parking violations	306,790	-	-	306,790	-
Charges for goods and services	-	-	2,461,061	2,461,061	9,780,683
Miscellaneous	-	17,390	105,421	122,811	56,590
Total operating revenues	916,139	6,557,023	2,566,482	10,039,644	9,837,273
OPERATING EXPENSES					
Personal services	310,133	2,112,899	-	2,423,032	1,333,715
Contractual services	306,243	1,082,548	2,643,993	4,032,784	6,591,500
Materials and supplies	22,124	398,050	-	420,174	646,022
Repairs and maintenance	-	38,153	-	38,153	294,148
Small tools and equipment	1,091	459,780	10,565	471,436	2,647
Administrative reimbursements	93,275	953,000	-	1,046,275	-
Total operating expenses	732,866	5,044,430	2,654,558	8,431,854	8,868,032
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	183,273	1,512,593	(88,076)	1,607,790	969,241
Depreciation	242,107	1,292,543	361,369	1,896,019	667,848
OPERATING INCOME (LOSS)	(58,834)	220,050	(449,445)	(288,229)	301,393
NONOPERATING REVENUES (EXPENSES)					
Investment income					
Interest income	13	7,557	3	7,573	2,790
Net appreciation in fair value of investments	-	286,578	-	286,578	-
Gain (loss) on sale of capital assets	-	-	-	-	(50,970)
Interest expense and fiscal charges	-	(506,712)	(54,610)	(561,322)	-
Total nonoperating revenues (expenses)	13	(212,577)	(54,607)	(267,171)	(48,180)

(This statement is continued on the following page.)

## CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS (Continued)  
PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-Type Activities			Totals	Governmental Activities Internal Service
	Motor Vehicle Parking System	Water	Highland Park Country Club		
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	\$ (58,821)	\$ 7,473	\$ (504,052)	\$ (555,400)	\$ 253,213
TRANSFERS					
Transfers (out)	-	-	(100,000)	(100,000)	-
Total transfers	-	-	(100,000)	(100,000)	-
CONTRIBUTIONS	-	150,000	-	150,000	-
CHANGE IN NET ASSETS	(58,821)	157,473	(604,052)	(505,400)	253,213
NET ASSETS, JANUARY 1	5,157,999	19,274,259	10,373,049	34,805,307	4,953,257
NET ASSETS, DECEMBER 31	\$ 5,099,178	\$ 19,431,732	\$ 9,768,997	\$ 34,299,907	\$ 5,206,470

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-Type Activities				Governmental Activities
	Motor Vehicle Parking System	Water	Highland Park Country Club	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 916,139	\$ 6,537,045	\$ 2,620,642	\$ 10,073,826	\$ 1,362,933
Receipts from interfund services	-	-	-	-	8,430,518
Payments to suppliers	(345,065)	(2,260,113)	(1,224,189)	(3,829,367)	(6,757,482)
Payments to employees	(315,935)	(2,200,236)	(1,423,572)	(3,939,743)	(1,354,861)
Payments for interfund services	(93,275)	(895,000)	-	(988,275)	-
Net cash from operating activities	161,864	1,181,696	(27,119)	1,316,441	1,681,108
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to/from other funds	-	-	200,000	200,000	-
Interfund transfers	-	-	(100,000)	(100,000)	-
Net cash from noncapital financing activities	-	-	100,000	100,000	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal payments on bonds	-	(575,000)	(190,000)	(765,000)	-
Intergovernmental grants	6,645	-	-	6,645	-
Interest paid	-	(500,331)	(52,171)	(552,502)	-
Sale of capital assets	-	-	-	-	30,461
Purchase of capital assets	(15,780)	(967,756)	-	(983,536)	(508,590)
Net cash from capital and related financing activities	(9,135)	(2,043,087)	(242,171)	(2,294,393)	(478,129)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	13	7,557	3	7,573	2,790
Sale of investments	-	826,408	-	826,408	-
Net cash from investing activities	13	833,965	3	833,981	2,790
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	152,742	(27,426)	(169,287)	(43,971)	1,205,769
CASH AND CASH EQUIVALENTS, JANUARY 1	1,071,787	3,104,036	389,419	4,565,242	1,802,727
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,224,529	\$ 3,076,610	\$ 220,132	\$ 4,521,271	\$ 3,008,496

(This statement is continued on the following page.)



CITY OF HIGHLAND PARK, ILLINOIS  
STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended December 31, 2009

	Business-Type Activities				Governmental Activities Internal Service
	Motor Vehicle Parking System	Water	Highland Park Country Club	Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (58,834)	\$ 220,050	\$ (449,445)	\$ (288,229)	\$ 301,393
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	242,107	1,292,543	361,369	1,896,019	667,848
Changes in assets and liabilities					
Accounts receivable	-	(19,978)	63,155	43,177	(27,925)
Prepaid expenses	-	-	(10,737)	(10,737)	297,518
Inventory	-	-	2,451	2,451	-
Accounts payable	(15,607)	(223,582)	13,740	(225,449)	479,317
Net other postemployment benefit obligation	-	(49,375)	-	(49,375)	-
Refundable deposits	-	-	(8,995)	(8,995)	-
Accrued payroll	(5,802)	(37,962)	1,343	(42,421)	(21,146)
Due to other funds	-	-	-	-	(15,897)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 161,864</u>	<u>\$ 1,181,696</u>	<u>\$ (27,119)</u>	<u>\$ 1,316,441</u>	<u>\$ 1,681,108</u>
NONCASH TRANSACTIONS					
Developer contributions	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ -
Net appreciation (depreciation) in fair value of investments	-	286,578	-	286,578	-
TOTAL NONCASH TRANSACTIONS	<u>\$ -</u>	<u>\$ 436,578</u>	<u>\$ -</u>	<u>\$ 436,578</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

December 31, 2009

	Pension Trust	Agency
<hr/>		
ASSETS		
Cash and cash equivalents	\$ 1,849,133	\$ 2,845,287
Investments		
U.S. Government and agency obligations	27,007,755	-
Mutual funds	13,981,559	-
Common stock	11,859,274	-
Receivables		
Accounts	-	13,473
Accrued interest	238,546	-
	<hr/>	
Total assets	54,936,267	\$ 2,858,760
	<hr/>	
LIABILITIES		
Accounts payable	41,914	438,042
Accrued payroll	-	169
Due to others	-	1,281,879
Deposits payable	-	1,138,670
	<hr/>	
Total liabilities	41,914	\$ 2,858,760
	<hr/>	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 54,894,353</u>	

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS

For the Year Ended December 31, 2009

ADDITIONS

Contributions - employer	
Taxes	\$ 2,494,572
Contributions - plan members	886,563
Contributions - other	<u>2,020</u>
Total contributions	<u>3,383,155</u>
Investment income	
Net appreciation in fair value of investments	4,729,868
Interest earned on investments	<u>1,542,567</u>
Total investment income	6,272,435
Less investment expenses	<u>(188,825)</u>
Net investment income	<u>6,083,610</u>
Total additions	<u>9,466,765</u>

DEDUCTIONS

Pension and refunds	4,985,563
Miscellaneous	<u>60,265</u>
Total deductions	<u>5,045,828</u>

NET INCREASE 4,420,937

NET ASSETS HELD IN TRUST FOR  
PENSION BENEFITS

January 1	<u>50,473,416</u>
December 31	<u>\$ 54,894,353</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2009

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### 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 GAAP, 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, 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. PPERS is reported as a pension trust fund. PPERS does not issue a separate annual financial report.

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 five member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two firefighter 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, 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. FPERS is reported as a pension trust fund. FPERS does not issue a separate annual financial report.

Highland Park Public Library (the Library)

This component unit has a nine member board appointed by the City's Mayor 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 to report on its financial position and changes in financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the 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, a pension trust fund is used. Agency funds generally are used to account for assets that the City holds on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Corporate Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Street and Bridge Fund is used to account for the activity that provides street lighting, street cleaning, snow removal, street maintenance, maintenance of storm and sanitary sewers, forestry, and certain capital improvements to streets and bridges.

The Debt Service Fund is 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.

The Capital Projects Fund is used to account for costs incurred to alleviate storm drainage problems, finance street improvements, and provide other facility and infrastructure improvements.

The City reports the following major proprietary funds:

The Motor Vehicle Parking System Fund accounts for the acquisition, operation, and maintenance of parking lots and other facilities owned by the City. These activities are entirely or predominantly self-supported by user charges.

The Water Fund accounts for the water facilities and services owned and provided by the City to its residents. The activities are entirely or predominantly self-supported by user charges.

The Highland Park Country Club Fund is used to account for the activities of the golf course and country club owned by the City. These activities are predominantly self-supported by user charges.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

Additionally, the City reports the following funds:

Internal Service Funds account for health, dental and life insurance and equipment replacement services that are provided to other departments of the City on a cost reimbursement basis.

Pension Trust Funds account for the accumulation of retirement and disability benefits for police and firefighters' pension plans.

Agency Funds accumulate resources received from nongovernment 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 for special assessments, deposits, and the Housing Trust.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for the agency funds which do not have a measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

Governmental fund financial statements are reported using the 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.

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 statement of net assets. Proprietary funds operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Agency funds use the full accrual basis of accounting, but have no measurement focus.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become measurable, available, and earned). Measurable means the amount of the transaction can be determined and available means collectible within the current period. The City considers revenues to be available if they are collected within 60 days (except sales and telecommunications taxes which use 90 days) of the end of the current fiscal 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 include property taxes, utility 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 City reports deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned 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/unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

Investments with a maturity of one year or less when purchased and nonnegotiable 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 December 31 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.” 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, if any, 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.

h. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with a cost greater than \$50,000 for infrastructure and \$5,000 for other assets with an estimated useful life in excess of one year.

Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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

Assets	Years
Buildings	50
Public domain infrastructure	20-50
System infrastructure	40-50
Vehicles	3-20
Mobile equipment	10-30
Furniture and fixtures	10
Computer equipment	5

i. Compensated Absences

The City's policy for vacation pay states that vacation time is earned each pay period. Vacation credits carry-over into future years up to a maximum of 30 days. Any accumulated time in excess of 30 days is lost. 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 or 457 deferred compensation account. Vested or accumulated sick and vacation leave (including related social security and medicare) of proprietary funds is recorded as an expense and liability of those funds and in the governmental activities column in the government-wide financial statements as they are earned.

j. Long-Term Obligations

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balance/Net Assets

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

l. Interfund Transactions

Transactions for interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

m. GASB Pronouncements

The City has elected under the provisions of GASB Statement 20, *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

Related-Party Transactions

The City entered into an agreement with the Village of Northbrook, Illinois in which each entity issued \$16,590,000 in taxable general obligation bonds and transferred the bonds to the other entity. The City is currently recording these bonds as an investment in the General Fund and a reservation of fund balance for employee retirement on behalf of the Police and Firefighters' Pension Funds.

### 3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except in certain restricted and special funds and pension trust funds. Each funds portion of this pool is displayed on the financial statements as cash and investments.

#### a. Permitted Deposits and Investments

The City's investment policy authorizes the City to make deposits/invest in insured commercial banks; savings and loan institutions; obligations of the U.S. Treasury, U.S. agency, and U.S. instrumentality; money market mutual funds regulated by the SEC and whose portfolios consist only of domestic debt securities; investment-grade obligations of state, provincial, and local governments and public authorities; certificates of deposits and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier by a nationally recognized rating agency; local government investment pools, either state administered or through joint powers statutes, and other intergovernmental agreement legislation; and Illinois Funds.

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 Funds' share price \$(1), which is the price for which the investment could be sold.

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

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

#### b. City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the City or in safekeeping on behalf of the City.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. City Deposits with Financial Institutions (Continued)

The City, via the Foreign Fire Insurance Board, had \$69,124 in uninsured and uncollateralized deposits at one financial institution, as of December 31, 2009.

c. City Investments

The following table presents the investments and maturities of the City's debt securities as of December 31, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
IMET	\$ 19,823,958	\$ 10,031,601	\$ 9,792,357	\$ -	\$ -
Illinois Funds	13,222,393	13,222,393	-	-	-
Local government bonds	16,212,900	168,300	744,600	1,167,900	14,132,100
Money market mutual funds	2,267,843	2,267,843	-	-	-
<b>TOTAL</b>	<b>\$ 51,527,094</b>	<b>\$ 25,690,137</b>	<b>\$ 10,536,957</b>	<b>\$ 1,167,900</b>	<b>\$ 14,132,100</b>

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that securities mature concurrent with cash needs. The investment policy limits the maximum maturity length of investments to three years from date of purchase, unless specific authority is given to exceed. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements. In addition, the policy requires the City to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and the other securities noted above. The IMET and Illinois Funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City's investment policy does not address custodial credit risk. In addition, the U.S. Treasury obligations are held in safekeeping at the bank where they are purchased. Illinois Funds and IMET are not subject to custodial credit risk.

3. DEPOSITS AND INVESTMENTS (Continued)

d. Police and Firefighters' Pension Funds Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police and Firefighters' Pension Funds' deposits may not be returned to them. The Pension Funds investment policies require pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Pension Funds or their respective agents in the name of the Pension Funds.

e. Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of December 31, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 4,746,314	\$ 276,545	\$ 2,154,849	\$ 2,314,920	\$ -
U.S. agency obligations	7,813,862	763,981	2,621,097	1,042,303	3,386,481
Money market mutual funds	1,054,645	1,054,645	-	-	-
<b>TOTAL</b>	<b>\$ 13,614,821</b>	<b>\$ 2,095,171</b>	<b>\$ 4,775,946</b>	<b>\$ 3,357,223</b>	<b>\$ 3,386,481</b>

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Police Pension Fund.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligation are rated AAA, the money market funds are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's investment policy requires investments to be held by a separate third party custodian. The money market mutual funds are not subject to custodial credit risk.

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

3. DEPOSITS AND INVESTMENTS (Continued)

e. Police Pension Fund Investments (Continued)

At December 31, 2009, the Police Pension Fund had greater than 5% of its overall portfolio invested in U.S Treasury obligations (18%) and U.S. agency obligations (27%). To limit the Police Pension Fund's exposure to concentration of credit risk, the investment policy requires that no more than 20% of the portfolio be invested in any single issuer, excluding U.S. Treasury or U.S. agency securities. In addition, the investment policy requires a limitation that sets the maximum of total equity investments at 45% of the plan's assets.

f. Firefighters' Pension Fund Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of December 31, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 3,746,081	\$ -	\$ 216,961	\$ 1,661,425	\$ 1,867,695
U.S. agency obligations	10,701,498	6	3,830,441	2,593,917	4,277,134
Money market mutual funds	212,710	212,710	-	-	-
<b>TOTAL</b>	<b>\$ 14,660,289</b>	<b>\$ 212,716</b>	<b>\$ 4,047,402</b>	<b>\$ 4,255,342</b>	<b>\$ 6,144,829</b>

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Firefighters' Pension Fund, but does require that the portfolio be structured to provide sufficient cash flows to avoid selling debt securities before maturity.

The Firefighters' Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligations securities are rated AAA and the money market funds are rated AAA. Illinois Funds is rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counter-party to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy requires that all security transactions that are exposed to custodial credit risk are processed on a delivery versus payment (DVP) basis with the underlying investment held by a third-party acting as the Fund's agent separate from where the investment was purchased. Illinois Funds, money market mutual funds, and mutual funds are not subject to custodial credit risk.



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

3. DEPOSITS AND INVESTMENTS (Continued)

f. Firefighters' Pension Fund Investments (Continued)

At December 31, 2009, the Firefighters' Pension Fund had greater than 5% of its overall portfolio invested in U.S. Treasury obligations (14%) and U.S. agency obligations (40%). To limit the Firefighters' Pension Fund's exposure to concentration of credit risk, the investment policy requires that no more than 20% of the portfolio be invested in any single issuer, excluding U.S. Treasury or U.S. agency securities. In addition, the investment policy requires that investments in the Illinois Funds or brokered certificates of deposit not exceed 5% of the portfolio.

4. RECEIVABLES - TAXES

Property taxes for 2009 attach as an enforceable lien on January 1, 2009 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, 2010 and August 1, 2010 and are payable in two installments, on June 1, 2010 and September 1, 2010. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 0.5% of the tax levy to reflect actual collection experience. The 2009 taxes are intended to finance the 2010 fiscal year and are not considered available for current operations and are, therefore, reported as deferred revenue.

5. CAPITAL ASSETS

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 8,663,012	\$ -	\$ -	\$ 8,663,012
Land right of way	260,190	-	-	260,190
Total capital assets not being depreciated	8,923,202	-	-	8,923,202
Capital assets being depreciated				
Buildings and land improvements	70,098,600	2,122,168	-	72,220,768
Machinery and equipment	14,646,394	804,131	271,947	15,178,578
Infrastructure	113,572,732	543,489	-	114,116,221
Total capital assets being depreciated	198,317,726	3,469,788	271,947	201,515,567
Less accumulated depreciation for				
Buildings and land improvements	17,965,711	1,502,468	-	19,468,179
Machinery and equipment	9,886,347	1,103,217	165,086	10,824,478
Infrastructure	58,258,937	2,875,113	-	61,134,050
Total accumulated depreciation	86,110,995	5,480,798	165,086	91,426,707
Total capital assets being depreciated, net	112,206,731	(2,011,010)	106,861	110,088,860
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 121,129,933</b>	<b>\$ (2,011,010)</b>	<b>\$ 106,861</b>	<b>\$ 119,012,062</b>

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

5. CAPITAL ASSETS (Continued)

GOVERNMENTAL ACTIVITIES

General government	\$ 104,200
Public safety	821,104
Public works	3,517,153
Economic development	121,419
Commissions	249,074
Total depreciation expense before internal service funds	<u>4,812,950</u>

INTERNAL SERVICE FUNDS

General government	58,314
Public safety	168,814
Public works	417,210
Economic Development	23,510
Total depreciation expense for internal service funds	<u>667,848</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u><u>\$ 5,480,798</u></u>
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	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,981,323	\$ -	\$ -	\$ 4,981,323
Construction in progress	100,303	745,990	-	846,293
Total capital assets not being depreciated	<u>5,081,626</u>	<u>745,990</u>	<u>-</u>	<u>5,827,616</u>
Capital assets being depreciated				
Building	27,158,340	-	-	27,158,340
Infrastructure	27,822,200	353,865	-	28,176,065
Machinery and equipment	4,966,112	33,681	-	4,999,793
Total capital assets being depreciated	<u>59,946,652</u>	<u>387,546</u>	<u>-</u>	<u>60,334,198</u>
Less accumulated depreciation for				
Building	11,749,073	755,620	-	12,504,693
Infrastructure	13,511,898	916,820	-	14,428,718
Machinery and equipment	3,807,270	223,579	-	4,030,849
Total accumulated depreciation	<u>29,068,241</u>	<u>1,896,019</u>	<u>-</u>	<u>30,964,260</u>
Total capital assets being depreciated, net	<u>30,878,411</u>	<u>(1,508,473)</u>	<u>-</u>	<u>29,369,938</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 35,960,037</u>	<u>\$ (762,483)</u>	<u>\$ -</u>	<u>\$ 35,197,554</u>

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. Effective December 31, 2007, the City withdrew from its participation in a public entity risk pool. Effective January 1, 2008, the City is self-insured for general liability and worker's compensation and has recorded the self-insurance liability in the General Fund if matured or in the governmental activities if unmatured for those risks.

Property Insurance

The City has purchased third-party indemnity coverage for property and casualty losses. The City is covered up to 100% of cash value for property, with a self-insured retention of \$100,000 per occurrence for flood and quake and \$10,000 for all other losses.

Liability Insurance

The City is self-insured for general liability insurance up to \$25,000. The City has purchased specific stop-loss coverage for claims to \$11,000,000. The City's liability insurance carrier administers claims as directed by the City's Finance Director.

Workers' Compensation

The City is self-insured for workers' compensation. In order to limit its exposure to losses, the City has purchased specific stop-loss coverage limiting its exposure to \$250,000 per occurrence with specific excess coverage providing insurance above \$250,000 per occurrence up to the statutory maximum. The City has hired a third-party administrator to review, process, and pay claims as directed by the City's Deputy City Manager.

The Parking and Water Funds of the City participate and make payments to the General Fund based upon estimates of the amounts needed to pay prior and current year claims. Liabilities 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 fiscal year is as follows:

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

6. RISK MANAGEMENT (Continued)

Workers' Compensation (Continued)

A reconciliation of the claims liability is as follows:

	December 31, 2008	December 31, 2009
CLAIMS PAYABLE, BEGINNING OF YEAR	\$ -	\$ 304,142
Add claims incurred	474,974	104,255
Less claims paid	(170,832)	(159,646)
CLAIMS PAYABLE, END OF YEAR	\$ 304,142	\$ 248,751

Effective December 31, 2007, the City has withdrawn its membership from the Intergovernmental Risk Management Agency (IRMA) and is instead purchasing third-party indemnity coverage to limit its exposures to various risks of loss. In accordance with the IRMA by-laws, the City will be paid out its share of funds remaining with IRMA over a number of years as claim years are closed out. The City has recorded a receivable of \$283,376 as the amount it estimates to receive from IRMA.

Health Care and Insurance Benefits

Effective January 1, 2008, the City is no longer self-insured for health insurance. Instead, the City has joined the Intergovernmental Personnel Benefit Cooperative, a public entity risk pool. Changes in the balances of claims liabilities during the past two fiscal years of the self-insurance plan are as follows (information is only presented for 2008 as all self-insured claims were paid out during the year ended December 31, 2008):

	December 31, 2008
CLAIMS PAYABLE, BEGINNING OF YEAR	\$ 633,786
Add claims incurred	-
Less claims paid	(633,786)
CLAIMS PAYABLE, END OF YEAR	\$ -

Intergovernmental Personnel Benefit Cooperative

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC) effective January 1, 2008. IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities.

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

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (Continued)

The IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

7. LONG-TERM DEBT

a. 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/funds. These bonds, therefore, are reported in the proprietary activities/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:

Debt Service General Obligation Bonds

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current
\$6,285,000, 2001 General Obligation Refunding Bonds, due in annual installments of \$540,000 to \$1,765,000 through December 31, 2013, interest at 4.70% to 4.75%	Debt Service	\$ 2,975,000	\$ -	\$ 540,000	\$ 2,435,000	\$ 565,000
\$8,500,000, 2002 General Obligation Bonds, due in annual installments of \$85,000 to \$1,090,000 through December 31, 2023, interest at 3.00% to 4.00%	Debt Service	4,115,000	-	715,000	3,400,000	775,000
\$9,000,000, 2003 General Obligation Corporate Purpose Bonds, due in annual installments of \$615,000 to \$900,000 through 2016, interest at 1.6% to 3.6%	Debt Service	5,640,000	-	725,000	4,915,000	750,000

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Debt Service General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current
\$10,175,000, 2004A Taxable General Obligation Pension Funding Bonds, due in annual installments of \$70,000 to \$5,390,000 through 2034, interest at 4.8%	Debt Service	\$ 9,721,764	\$ -	\$ 101,155	\$ 9,620,609	\$ 106,451
\$6,415,000, 2004B Taxable General Obligation Pension Funding Bonds, due in annual installments of \$45,000 to \$3,400,000 through 2034, interest at 4.80%	Debt Service	6,120,150	-	63,833	6,056,317	69,017
\$10,000,000, 2005A General Obligation Bonds due in annual installments of \$180,000 to \$1,425,000 through 2018, interest at 3.50% to 3.75%	Debt Service	9,125,000	-	620,000	8,505,000	610,000
\$1,000,000 2005B General Obligation Refunding Bonds due in annual installments of \$36,143 to \$200,000 through 2019, interest at 3.75% to 4.05%	Debt Service	400,000	-	200,000	200,000	200,000
\$2,500,000 2007 General Obligation Bonds due in annual installments of \$25,000 to \$250,000 through 2021, interest at 3.50% to 4.25%	Debt Service	2,410,000	-	25,000	2,385,000	140,000
TOTAL		\$ 40,506,914	\$ -	\$ 2,989,988	\$ 37,516,926	\$ 3,215,468

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Water Fund General Obligation Bonds

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current
\$1,100,000, 1998 General Obligation Corporate Purpose Bonds, due in annual installments of \$25,000 to \$100,000, through December 31, 2021, interest at 4.00% to 4.25%	Water Fund	\$ 785,000	\$ -	\$ 30,000	\$ 755,000	\$ 30,000
\$1,000,000, 1999 General Obligation Corporate Purpose Bonds, due in annual installments of \$55,000 to \$155,000 through 2013, interest at 4.80% to 5.00%	Water Fund	825,000	-	135,000	690,000	145,000
\$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	1,135,000	-	70,000	1,065,000	75,000
\$1,500,000, 2002 General Obligation Bonds, due in annual installments of \$85,000 to \$1,090,000 through December 31, 2023, interest at 3.00% to 4.00%	Water Fund	1,230,000	-	70,000	1,160,000	70,000
\$1,075,000, 2005B General Obligation Refunding Bonds due in annual installments of \$38,858 to \$142,478 through 2019, interest at 3.75% to 4.05%	Water Fund	875,000	-	75,000	800,000	75,000
\$7,500,000 2007 General Obligation Bonds due in annual installments of \$160,000 to \$485,000 through 2031, interest at 3.50% to 4.25%	Water Fund	7,340,000	-	195,000	7,145,000	200,000
<b>TOTAL</b>		<b>\$ 12,190,000</b>	<b>\$ -</b>	<b>\$ 575,000</b>	<b>\$ 11,615,000</b>	<b>\$ 595,000</b>

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

7. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Country Club Fund General Obligation Bonds

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current
\$170,000, 1998 General Obligation Corporate Purpose Bonds, due in annual installments of \$5,000 to \$25,000 through December 31, 2013, interest at 4.10% to 4.125%	Country Club Fund	\$ 115,000	\$ -	\$ 20,000	\$ 95,000	\$ 20,000
\$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	475,000	-	85,000	390,000	90,000
\$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	475,000	-	85,000	390,000	90,000
<b>TOTAL</b>		<b>\$ 1,065,000</b>	<b>\$ -</b>	<b>\$ 190,000</b>	<b>\$ 875,000</b>	<b>\$ 200,000</b>

b. Debt Service Requirements to Maturity

Fiscal Year Ending	Governmental Activities			Business-Type Activities			Total Principal and Interest
	Principal	Interest	Total	Principal	Interest	Total	
2010	\$ 3,215,468	\$ 1,545,954	\$ 4,761,422	\$ 795,000	\$ 518,684	\$ 1,313,684	\$ 6,075,106
2011	3,345,970	1,431,500	4,777,470	845,000	484,252	1,329,252	6,106,722
2012	3,466,497	1,310,321	4,776,818	890,000	447,283	1,337,283	6,114,101
2013	3,392,048	1,182,277	4,574,325	935,000	408,257	1,343,257	5,917,582
2014	3,057,626	1,055,029	4,112,655	550,000	367,128	917,128	5,029,783
2015	3,188,233	941,812	4,130,045	575,000	345,057	920,057	5,050,102
2016	1,853,868	822,100	2,675,968	615,000	321,948	936,948	3,612,916
2017	1,029,534	751,234	1,780,768	640,000	297,033	937,033	2,717,801
2018	475,231	710,269	1,185,500	690,000	270,697	960,697	2,146,197
2019	495,962	689,878	1,185,840	610,000	242,357	852,357	2,038,197
2020	521,728	667,912	1,189,640	635,000	216,377	851,377	2,041,017
2021	542,531	644,789	1,187,320	530,000	190,057	720,057	1,907,377
2022	308,373	620,747	929,120	450,000	169,708	619,708	1,548,828
2023	319,255	605,945	925,200	350,000	152,857	502,857	1,428,057
2024	335,179	590,621	925,800	365,000	138,858	503,858	1,429,658
2025	356,148	574,532	930,680	380,000	124,257	504,257	1,434,937



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

7. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending	Governmental Activities			Business-Type Activities			Total Principal and Interest
	Principal	Interest	Total	Principal	Interest	Total	
2026	\$ 367,163	\$ 557,437	\$ 924,600	\$ 395,000	\$ 109,058	\$ 504,058	\$ 1,428,658
2027	383,227	539,813	923,040	410,000	93,257	503,257	1,426,297
2028	404,342	521,418	925,760	430,000	76,448	506,448	1,432,208
2029	425,510	502,010	927,520	450,000	58,817	508,817	1,436,337
2030	441,735	481,585	923,320	465,000	40,143	505,143	1,428,463
2031	468,017	460,383	928,400	485,000	20,612	505,612	1,434,012
2032	489,362	437,918	927,280	-	-	-	927,280
2033	515,772	414,428	930,200	-	-	-	930,200
2034	8,118,147	389,671	8,507,818	-	-	-	8,507,818
<b>TOTAL</b>	<b>\$ 37,516,926</b>	<b>\$ 18,449,583</b>	<b>\$ 55,966,509</b>	<b>\$ 12,490,000</b>	<b>\$ 5,093,145</b>	<b>\$ 17,583,145</b>	<b>\$ 73,549,654</b>

c. Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in liabilities reported in the governmental and business-type activities:

	Balances January 1	Additions	Reductions	Balances December 31	Current
<u>Primary Government</u>					
GOVERNMENTAL ACTIVITIES					
Compensated absences*	\$ 2,177,564	\$ 1,137,428	\$ 1,275,701	\$ 2,039,291	\$ 1,204,374
Net other postemployment benefit obligation*	2,774,417	810,458	-	3,584,875	-
General obligation bonds	40,506,914	-	2,989,988	37,516,926	3,215,468
Unamortized bond discount	(25,473)	-	(2,704)	(22,769)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 45,433,422</b>	<b>\$ 1,947,886</b>	<b>\$ 4,262,985</b>	<b>\$ 43,118,323</b>	<b>\$ 4,419,842</b>
BUSINESS-TYPE ACTIVITIES					
Net other postemployment benefit obligation	\$ 236,634	\$ -	\$ 49,375	\$ 187,259	\$ -
General obligation bonds	13,255,000	-	765,000	12,490,000	795,000
Unamortized bond discount	(29,752)	-	(2,074)	(27,678)	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 13,461,882</b>	<b>\$ -</b>	<b>\$ 812,301</b>	<b>\$ 12,649,581</b>	<b>\$ 795,000</b>

\* Retired primarily by the General Fund

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

7. LONG-TERM DEBT (Continued)

d. 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.

8. INTERFUND ACCOUNTS AND INDIVIDUAL FUND DISCLOSURES

Due From/To Other Funds

Fund	Due From	Due To
MAJOR GOVERNMENTAL		
General		
Highland Park Country Club	\$ 650,000	\$ -
Street and Bridge		
Motor Fuel Tax	111,000	-
NON-MAJOR GOVERNMENTAL		
Motor Fuel Tax		
Street and Bridge	-	111,000
BUSINESS-TYPE ACTIVITIES		
Highland Park Country Club		
General	-	650,000
TOTAL	\$ 761,000	\$ 761,000

The purpose of the significant due from/to other funds is as follows:

- \$650,000 owed to the General Fund by the Highland Park Country Club Fund for short-term cash deficit. Repayment is expected within one year.

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

8. INTERFUND ACCOUNTS AND INDIVIDUAL FUND DISCLOSURES (Continued)

Due From/To Other Funds (Continued)

- \$111,000 owed to the Street and Bridge Fund by the Motor Fuel Tax Fund for short-term cash deficit. Repayment is expected within one year.

Transfers

	Transfers In	Transfers (Out)
<b>MAJOR GOVERNMENTAL</b>		
General		
Debt Service	\$ -	\$ 1,207,774
Capital Projects	-	1,950,000
Total General	-	3,157,774
Debt Service		
General	1,207,774	-
Highland Park Country Club	100,000	-
Total Debt Service	1,307,774	-
Capital Projects		
General	1,950,000	-
<b>BUSINESS-TYPE ACTIVITIES</b>		
Highland Park Country Club		
Debt Service	-	100,000
<b>TOTAL</b>	<b>\$ 3,257,774</b>	<b>\$ 3,257,774</b>

The purpose of the significant transfers is as follows:

- \$1,207,774 transferred from the General Fund to the Debt Service Fund to pay debt service obligations.
- \$1,950,000 transferred from the General Fund to the Capital Projects Fund to fund capital outlay and capital projects.
- \$100,000 transferred from the Highland Park Country Club to the Debt Service Fund to pay debt service obligations.

Deficit fund balances:

The motor fuel tax (MFT) fund has a deficit fund balance of (\$44, 272) at December 31, 2009 that will be funded by future MFT allotments.

9. 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 City is unaware of and anticipates no expenditures to be disallowed.

c. Economic Incentive Agreements

The City has entered into economic development agreements with companies in the City to provide sales tax rebates. The agreements require the City to rebate to the companies different levels of additional sales tax generated by the facilities through the year 2019, with potential rebates totaling \$11,677,468, including interest through December 31, 2009. The total expenditures incurred to date in existing rebates as of December 31, 2009 is \$2,450,706.

10. 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 (ILCS) and can only be amended by the Illinois General Assembly.

The Police and Firefighters' Pension Plans issue separate reports on the pension plans. IMRF issues 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2009 was 7.54% of covered payroll.

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 ILCS (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 December 31, 2009, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	53
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	
Vested	36
Nonvested	21
	<hr/>
TOTAL	111
	<hr/>

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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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 December 31, 2009, the City's contribution was 29.56% of covered payroll.

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 ILCS (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 December 31, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	51
Terminated employees entitled to benefits but not yet receiving them	2
Current employees	
Vested	32
Nonvested	18
	<hr/>
TOTAL	103
	<hr/>

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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Covered employees are required to contribute 9.455% 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 December 31, 2009, the City's contribution was 29.53% of covered payroll.

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, except as disclosed in Note 3e and 3f. 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, 2007	December 31, 2008	December 31, 2008
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	23 Years, Closed	24 Years, Closed	24 Years, Closed

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	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.

	Calendar Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2007	\$ 1,100,000	\$ 1,169,513	\$ 1,003,067
	2008	1,033,371	1,144,194	987,552
	2009	1,024,552	1,252,315	1,075,467
Actual contribution	2007	\$ 1,100,000	\$ 1,223,513	\$ 1,048,156
	2008	1,033,371	1,254,016	1,090,547
	2009	1,024,552	1,333,139	1,161,784
Percentage of APC contributed	2007	100.00%	104.60%	104.50%
	2008	100.00%	109.60%	110.40%
	2009	100.00%	106.50%	108.00%
NPO (asset)	2007	\$ -	\$ (1,670,514)	\$ (1,757,883)
	2008	-	(1,780,336)	(1,860,878)
	2009	-	(1,861,160)	(1,947,195)



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

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

The NPO (asset) at December 31, 2009 has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 1,295,763	\$ 1,120,881
Interest on net pension obligation	(133,525)	(139,566)
Adjustment to annual required contribution	90,077	94,152
Annual pension cost	1,252,315	1,075,467
Contributions made	1,333,139	1,161,784
Increase (decrease) in net pension obligation (asset)	(80,824)	(86,317)
Net pension obligation (asset) beginning of year	(1,780,336)	(1,860,878)
NET PENSION OBLIGATION (ASSET) END OF YEAR	<u>\$ (1,861,160)</u>	<u>\$ (1,947,195)</u>

d. Summary Financial Information

Summary financial information at December 31, 2009 for the Police and Firefighters' Pension Plans is as follows:

Statement of Fiduciary Net Assets

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and short-term investments	\$ 1,295,841	\$ 553,292	\$ 1,849,133
Investments, at fair value			
U.S. Treasury and agency securities	12,560,176	14,447,579	27,007,755
Mutual funds	7,263,838	6,717,721	13,981,559
Common stock	6,200,567	5,658,707	11,859,274
Receivables			
Accrued interest on investments	114,570	123,976	238,546
Total assets	<u>27,434,992</u>	<u>27,501,275</u>	<u>54,936,267</u>
LIABILITIES			
Accounts payable	<u>16,169</u>	<u>25,745</u>	<u>41,914</u>
Total liabilities	<u>16,169</u>	<u>25,745</u>	<u>41,914</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 27,418,823</u>	<u>\$ 27,475,530</u>	<u>\$ 54,894,353</u>

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

d. Summary Financial Information (Continued)

Statement of Changes in Plan Net Assets

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,332,788	\$ 1,161,784	\$ 2,494,572
Employee	475,430	411,133	886,563
Other	350	1,670	2,020
Total Contributions	1,808,568	1,574,587	3,383,155
Investment income			
Net appreciation (depreciation) in fair value of investments	2,546,347	2,183,521	4,729,868
Interest	784,403	758,164	1,542,567
Total investment income	3,330,750	2,941,685	6,272,435
Less investment expenses	(105,221)	(83,604)	(188,825)
Net investment income	3,225,529	2,858,081	6,083,610
Total additions	5,034,097	4,432,668	9,466,765
DEDUCTIONS			
Pension benefits	2,621,869	2,363,694	4,985,563
Miscellaneous	35,675	24,590	60,265
Total deductions	2,657,544	2,388,284	5,045,828
NET INCREASE	2,376,553	2,044,384	4,420,937
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	25,042,270	25,431,146	50,473,416
December 31	\$ 27,418,823	\$ 27,475,530	\$ 54,894,353

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

e. Funded Status

The funded status of the plans as of December 31, 2009, based on actuarial valuations performed as of December 31, 2009 is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 10c:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial accrued liability (AAL)	\$ 38,069,741	\$ 49,424,807	\$ 45,784,009
Actuarial value of plan assets	31,242,787	27,418,823	27,475,530
Unfunded actuarial accrued liability (UAAL)	6,826,954	22,005,984	18,308,479
Funded ratio (actuarial value of plan assets/AAL)	82.07%	55.48%	60.01%
Covered payroll (active plan members)	\$ 13,588,220	\$ 4,510,522	\$ 3,934,609
UAAL as a percentage of covered payroll	50.24%	487.88%	465.32%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

11. OTHER POSTEMPLOYMENT BENEFITS

In addition to providing the pension benefits described, the City provides postemployment health care and insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the City and approved annually by a City Council resolution. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. However, a designation of fund balance has been recorded in the General Fund, which represents resources earmarked by the City to fund the net OPEB obligation. The plan does not issue a separate report. The activity of the plan is reported in the City's Insurance Fund, an internal service fund.

Benefits Provided

The City provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are eligible for benefits of one year health care for each year of service on the City Council, at a selected commencement date upon completion of service as an elected official of the City. Elected officials are also eligible for one year of life insurance coverage at their outgoing salary level for each year of service on the City Council.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

All health care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

Membership

At December 31, 2009, membership consisted of:

Retirees and beneficiaries currently receiving benefits	114
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>262</u>
TOTAL	<u>376</u>
Participating employers	<u>1</u>

Funding Policy

The City Council approves by an annual resolution the contribution percentage between the City and retirees. For the year ended December 31, 2009, retirees contributed 70%-90% of the actuarially determined premium to the plan and the City contributes the remainder to cover the cost of providing the benefits to the retirees via the self-insured plan (pay as you go). Since the City is self-insured, this amount fluctuates on an annual basis. For the year ended December 31, 2009, retirees contributed \$1,031,864 and the City contributed \$476,140. Active employees do not contribute to the plan until retirement.

Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows:

Period Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2007	\$ 941,623	\$ 168,165	17.86%	\$ 1,913,040
December 31, 2008	1,427,915	329,904	22.29	3,011,051
December 31, 2009	1,237,943	476,140	38.46	3,772,134

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (NOPEBO) as December 31, 2009, was calculated as follows:

Annual required contribution	\$ 1,103,224
Interest on net OPEB obligation	153,739
Adjustment to annual required contribution	<u>(19,740)</u>
Annual OPEB cost	1,237,223
Contributions made	<u>476,140</u>
Increase in net OPEB obligation	761,083
Net OPEB obligation beginning of year	<u>3,011,051</u>
NET OPEB OBLIGATION END OF YEAR	<u>\$ 3,772,134</u>

Funded Status and Funding Progress. The funded status of the plan as of December 31, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 14,565,078
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	14,565,078
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 17,916,315
UAAL as a percentage of covered payroll	81.30%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in AALs and the actuarial value of assets, consistent with the long-term perspective of the calculations.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Costs and Net OPEB Obligation (Continued)

In the December 31, 2009 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 8.00% with an incremental reduction each year to arrive at an ultimate healthcare cost trend rate of 6.00%. The investment rate of return includes a 3.00% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 30 years. The City has set aside \$3,975,495 as designated in the General Fund to meet future obligations.

12. HIGHLAND PARK COUNTRY CLUB FUND

The Highland Park Country Club Fund (the Fund) was created in fiscal 1993 pursuant to City ordinance and classified as an enterprise fund. The 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.

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 not recorded in the Fund. It is being retired by the Debt Service Fund.

As of January 1, 2005, the Club is managed by Kemper Golf Corporation.

13. MAJOR CUSTOMERS

The Village of Deerfield, Illinois and the Village of Lincolnshire, Illinois purchase water from the City's available supply. During the year ended December 31, 2009, these purchases amounted to \$1,807,440 or 27.8% and \$863,478 or 13.3%, respectively, of total water sales in the Water Fund.

14. SUBSEQUENT EVENT

On April 15, 2010, the City issued \$5,790,000 General Obligation Refunding Bonds, Series 2010 to refund the City's outstanding General Obligation Corporate Purpose Bonds, Series 1998, General Obligation Corporate Purpose Bonds, Series 1999, General Obligation Corporate Purpose Bonds, Series 2000, and General Obligation Corporate Purpose Bonds, Series 2001. Principal is due in annual installments on December 30, 2010 through December 30, 2021 of \$835,000 to \$100,000. Interest is due semi-annually on June 30 and December 30, commencing December 30, 2010, with rates ranging from 1.00% to 3.20%.

14. SUBSEQUENT EVENT (Continued)

On April 26, 2010, the City authorized the issuance of \$3,000,000 Taxable General Obligation Bonds, Series 2010A. The proceeds of the 2010A bonds will be used to finance improvements to the City's waterworks system.

15. PRIOR PERIOD ADJUSTMENT

The City restated the balance of net assets of governmental activities and fund balance of the general fund as of January 1, 2009 by \$315,287 to correct the timing of the recognition of certain revenues.

16. COMPONENT UNIT - HIGHLAND PARK LIBRARY

a. Financial Information

Financial statements for the Highland Park Public Library (the Library), including government-wide and fund financial statements, are available in the Library's separately audited financial statements as of December 31, 2009 which can be obtained by written request to Highland Park Public Library, 494 Laurel Avenue, Highland Park, Illinois 60035.

b. Deposits and Investments

Permitted Deposits and Investments

In accordance with the City's investment policy, the Library's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds.

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 Funds' share price, which is the price for which the investment could be sold.

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

16. COMPONENT UNIT - HIGHLAND PARK LIBRARY (Continued)

b. Deposits and Investments (Continued)

Library Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library's investment policy is silent regarding collateral for all bank balances in excess of federal depository insurance.

Library Investments

The following table presents the investments and maturities of the Library's debt securities as of December 31, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Money market mutual funds	\$ 795,045	\$ 795,045	\$ -	\$ -	\$ -
TOTAL	\$ 795,045	\$ 795,045	\$ -	\$ -	\$ -

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio so that securities mature concurrent with cash needs. The investment policy limits the maximum maturity length of investments to five years from date of purchase, unless specific authority is given to exceed. Investments in reserve funds other funds may be purchased with maturities to match future projects or liability requirements. In addition, the policy requires the Library to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The money market funds and Illinois Funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Library's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Library's name. Illinois Funds, money market mutual funds, and equity mutual fund are not subject to custodial credit risk.



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

16. COMPONENT UNIT - HIGHLAND PARK LIBRARY (Continued)

c. Capital Assets

Capital assets of the Library at December 31, 2009 are as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 500,000	\$ -	\$ -	\$ 500,000
Total capital assets not being depreciated	500,000	-	-	500,000
Capital assets being depreciated				
Land improvements	69,249	-	-	69,249
Buildings and improvements	4,235,733	-	-	4,235,733
Machinery	468,697	22,255	-	490,952
Total capital assets being depreciated	4,773,679	22,255	-	4,795,934
Less accumulated depreciation for				
Land improvements	35,514	2,156	-	37,670
Buildings and improvements	1,917,991	86,573	-	2,004,564
Machinery	312,496	23,559	-	336,055
Total accumulated depreciation	2,266,001	112,288	-	2,378,289
Total capital assets being depreciated, net	2,507,678	(90,033)	-	2,417,645
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 3,007,678</b>	<b>\$ (90,033)</b>	<b>\$ -</b>	<b>\$ 2,917,645</b>

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

GOVERNMENTAL ACTIVITIES

Public Library \$ 112,288

## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 4,126,644	\$ 4,126,644	\$ 4,149,794
Illinois state replacement taxes	325,631	325,631	291,142
Licenses	271,781	271,781	292,528
Permits	1,302,700	1,302,700	728,117
Charges for current services	1,444,092	1,570,573	1,821,235
Municipal sales tax	12,892,111	12,892,111	11,077,114
Fines and forfeitures	311,000	311,000	367,191
Utility tax	3,109,045	3,109,045	2,595,912
Real estate transfer tax	1,300,000	1,300,000	812,399
Intergovernmental	11,385	255,757	246,596
Illinois state income tax	2,859,759	2,859,759	2,447,710
PACE RTA fare reimbursement	1,060,000	1,060,000	1,137,630
Franchise fees	2,618,000	2,618,000	2,542,276
Payment in lieu of taxes	795,000	795,000	496,932
Other taxes	1,322,563	1,334,205	1,217,525
Reimbursements	135,000	135,000	109,911
Investment income			
Interest income	300,000	300,000	776,943
Net (depreciation) in fair value of investments	-	-	(5,879,301)
Miscellaneous			
Other	499,428	499,428	409,851
<b>Total revenues</b>	<b>34,684,139</b>	<b>35,066,634</b>	<b>25,641,505</b>
<b>EXPENDITURES</b>			
Current			
General government	6,872,910	6,942,910	4,821,067
Public safety	19,118,038	19,519,176	18,755,843
Public works	2,011,528	2,011,528	1,746,574
Economic and physical development	4,075,272	4,075,272	3,344,248
Transit	1,255,879	1,280,879	1,269,275
Commissions	489,713	489,713	181,066
<b>Total expenditures</b>	<b>33,823,340</b>	<b>34,319,478</b>	<b>30,118,073</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>860,799</b>	<b>747,156</b>	<b>(4,476,568)</b>

(This schedule is continued on the following page.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
OTHER FINANCING SOURCES (USES)			
Transfers (out)	\$ (2,307,213)	\$ (2,307,213)	\$ (3,157,774)
Total other financing sources (uses)	(2,307,213)	(2,307,213)	(3,157,774)
NET CHANGE IN FUND BALANCE	<u>\$ (1,446,414)</u>	<u>\$ (1,560,057)</u>	<u>(7,634,342)</u>
FUND BALANCE, JANUARY 1			40,795,287
Prior period adjustment			<u>315,287</u>
FUND BALANCE, JANUARY 1, RESTATED			<u>41,110,574</u>
FUND BALANCE, DECEMBER 31			<u>\$ 33,476,232</u>

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 2,020,000	\$ 2,020,000	\$ 2,021,059
Vehicle licenses	830,000	830,000	818,681
Charges for current services	2,142,995	2,142,995	1,853,308
Fines and forfeitures	10,000	10,000	13,950
Other taxes	490,000	490,000	453,210
Investment income	9,250	9,250	1,028
Miscellaneous	52,386	52,386	79,060
Total revenues	5,554,631	5,554,631	5,240,296
<b>EXPENDITURES</b>			
Public works			
Personal services	2,905,840	2,905,840	2,802,951
Contractual services	1,145,815	1,145,815	1,259,348
Material and supplies	1,259,655	1,259,655	1,125,674
Capital outlay	106,200	106,200	82,519
Total expenditures	5,417,510	5,417,510	5,270,492
NET CHANGE IN FUND BALANCE	\$ 137,121	\$ 137,121	(30,196)
FUND BALANCE, JANUARY 1			361,101
FUND BALANCE, DECEMBER 31			\$ 330,905

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2009

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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)
2004	\$ 30,459,245	\$ 29,942,741	101.72%	\$ (516,504)	\$ 13,783,171	(3.75%)
2005	32,460,780	32,366,545	100.29%	(94,235)	12,285,076	(0.77%)
2006	34,082,425	32,596,794	104.56%	(1,485,631)	12,242,039	(12.14%)
2007	37,354,706	35,603,461	104.92%	(1,751,245)	13,002,361	(13.47%)
2008	30,448,995	37,678,583	80.81%	7,229,588	13,561,301	53.31%
2009	31,242,787	38,069,741	82.07%	6,826,954	13,588,220	50.24%

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

December 31, 2009

Actuarial Valuation Date	(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)
April 30, 2005	\$ 25,963,903	\$ 39,169,778	66.29%	\$ 13,205,875	\$ 3,941,448	335.05%
April 30, 2006	27,264,859	42,270,819	64.50%	15,005,960	4,467,545	335.89%
April 30, 2007	29,108,328	43,793,342	66.47%	14,685,014	4,242,439	346.15%
December 31, 2007	30,294,432	46,252,815	65.50%	15,958,383	4,637,171	344.14%
December 31, 2008	25,042,270	48,447,430	51.69%	23,405,160	4,643,888	504.00%
December 31, 2009	27,418,823	49,424,807	55.48%	22,005,984	4,510,522	487.88%

The actuarial value of assets shown above does not include \$9,755,000 of general obligation bonds currently held by the General Fund and pledged to the Pension Fund valued at par.

Note: The City changed its fiscal year to December 31 in 2007.

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
FIREFIGHTERS' PENSION FUND

December 31, 2009

Actuarial Valuation Date	(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)
April 30, 2005	\$ 24,713,720	\$ 35,801,064	69.03%	\$ 11,087,344	\$ 3,702,202	299.48%
April 30, 2006	26,750,745	38,197,366	70.03%	11,446,621	4,062,139	281.79%
April 30, 2007	29,399,319	40,154,765	73.22%	10,755,446	4,122,230	260.91%
December 31, 2007	30,321,512	42,254,697	71.76%	11,933,185	4,197,306	284.31%
December 31, 2008	25,431,145	44,010,917	57.78%	18,579,772	4,214,709	440.83%
December 31, 2009	27,475,530	45,784,009	60.01%	18,308,479	3,934,609	465.32%

The actuarial value of assets shown above does not include \$6,140,000 of general obligation bonds currently held by the General Fund and pledged to the Pension Fund valued at par.

Note: The City changed its fiscal year to December 31 in 2007.

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2009

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Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
April 30, 2007	\$ -	\$ 14,825,979	0.00%	\$ 14,825,979	\$ 18,999,500	78.03%
December 31, 2007	-	14,825,979	0.00%	14,825,979	19,041,396	77.86%
December 31, 2008	-	13,016,948	0.00%	13,016,948	17,709,384	73.50%
December 31, 2009	-	14,565,078	0.00%	14,565,078	17,916,315	81.30%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2007. Information for prior years is not available.

The City has designated \$3,975,495 in the General Fund for other postemployment benefit obligations.

Note: The City changed its fiscal year to December 31 in 2007.

(See independent auditor's report.)



CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2009

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Actuarial Valuation Date <u>December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2004	\$ 804,791	\$ 804,791	100.00%
2005	1,027,032	1,027,032	100.00%
2006	1,036,901	1,036,901	100.00%
2007	1,100,000	1,100,000	100.00%
2008	1,033,371	1,033,371	100.00%
2009	1,024,552	1,024,552	100.00%

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

December 31, 2009

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<u>Actuarial Valuation Date</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
April 30, 2005	\$ 905,379	\$ 914,463	99.01%
April 30, 2006	873,533	841,581	103.80%
April 30, 2007	1,078,760	1,050,606	102.68%
December 31, 2007	1,223,513	1,211,426	101.00%
December 31, 2008	1,254,016	1,187,508	105.60%
December 31, 2009	1,333,139	1,295,763	102.88%

Note: The City changed its fiscal year to December 31 in 2007.

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

December 31, 2009

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Actuarial Valuation Date	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
April 30, 2005	\$ 872,952	\$ 852,558	102.39%
April 30, 2006	854,298	845,246	101.07%
April 30, 2007	1,007,738	980,964	102.73%
December 31, 2007	1,048,156	1,049,890	99.83%
December 31, 2008	1,090,547	1,033,130	105.56%
December 31, 2009	1,161,784	1,120,881	103.65%

Note: The City changed its fiscal year to December 31 in 2007.

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2009

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Actuarial Valuation Date	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
April 30, 2007	\$ 304,490	\$ 1,444,072	21.09%
December 31, 2007	168,165	941,623	17.86%
December 31, 2008	329,904	1,389,209	23.75%
December 31, 2009	476,140	1,103,224	43.16%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2007. Information for prior years is not available.

Note: The City changed its fiscal year to December 31 in 2007.

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2009

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BUDGETS

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

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 line items within any fund; however, any revisions that alter the total expenditures of any department and/or fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund/department level. During the year, several budget amendments were necessary.

## MAJOR GOVERNMENTAL FUNDS

**General Fund** - to account for most of the current day-to-day operations of the City 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 City except for activities of the Enterprise Funds.

**Debt Service Fund** - 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.

**Capital Projects Fund** - to account for costs incurred to alleviate storm drainage problems, finance street improvements, and provide other facility and infrastructure improvements.

## CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
City Council			
Personal services	\$ 224,740	\$ 224,740	\$ 221,733
Contractual services	32,724	32,724	34,485
Materials and supplies	32,093	32,093	23,914
Total City Council	289,557	289,557	280,132
Administration			
Personal services	640,045	640,045	598,696
Contractual services	29,948	29,948	31,253
Materials and supplies	32,738	32,738	31,087
Total administration	702,731	702,731	661,036
Human resources			
Personal services	304,920	304,920	228,233
Contractual services	79,263	79,263	67,063
Materials and supplies	104,003	104,003	36,773
Capital outlay	7,100	7,100	9,954
Total human resources	495,286	495,286	342,023
Communications			
Personal services	324,405	324,405	296,587
Contractual services	79,066	79,066	58,651
Materials and supplies	133,849	133,849	151,368
Total communications	537,320	537,320	506,606
City Clerk			
Personal services	194,260	194,260	188,119
Contractual services	15,047	15,047	8,655
Materials and supplies	1,940	1,940	692
Total City Clerk	211,247	211,247	197,466
Youth and senior services			
Youth			
Operations			
Personal services	270,180	270,180	201,043
Contractual services	31,502	31,502	32,480
Materials and supplies	35,485	35,485	60,044
Total youth operations	337,167	337,167	293,567

(This schedule is continued on the following pages.)

## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Youth and senior services (Continued)			
Senior			
Operations			
Personal services	\$ 473,175	\$ 473,175	\$ 424,316
Contractual services	32,288	32,288	32,288
Materials and supplies	145,248	145,248	106,261
Capital outlay	1,000	1,000	84
Total senior operations	651,711	651,711	562,949
Facilities			
Personal services	92,250	92,250	80,166
Contractual services	17,004	17,004	15,934
Materials and supplies	2,400	2,400	1,996
Capital outlay	7,000	7,000	985
Total facilities	118,654	118,654	99,081
Total youth and senior services	1,107,532	1,107,532	955,597
Legal department			
Contractual services	937,881	1,007,881	929,171
Materials and supplies	1,200	1,200	764
Total legal department	939,081	1,009,081	929,935
Finance administration and accounting			
Personal services	882,364	882,364	851,230
Contractual services	1,980,492	1,980,492	862,233
Materials and supplies	90,300	90,300	68,509
Total finance administration and accounting	2,953,156	2,953,156	1,781,972
Facilities			
Personal services	77,906	77,906	72,068
Contractual services	96,300	96,300	51,765
Materials and supplies	42,819	42,819	38,764
Capital outlay	7,000	7,000	17,622
Total facilities	224,025	224,025	180,219

(This schedule is continued on the following pages.)



## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (Continued)</b>			
Other charges			
Contractual services	\$ 39,250	\$ 39,250	\$ 31,416
Capital outlay	-	-	940
Total other charges	39,250	39,250	32,356
Subtotal general government	7,499,185	7,569,185	5,867,342
Less administrative reimbursements	(626,275)	(626,275)	(1,046,275)
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 6,872,910</b>	<b>\$ 6,942,910</b>	<b>\$ 4,821,067</b>
<b>PUBLIC SAFETY</b>			
Police department			
Operations			
Personal services	\$ 9,618,548	\$ 9,684,531	\$ 9,369,257
Contractual services	774,475	774,475	752,573
Materials and supplies	416,140	440,448	380,546
Capital outlay	2,500	2,500	2,500
Total operations	10,811,663	10,901,954	10,504,876
Facilities			
Personal services	113,645	113,645	109,931
Contractual services	51,009	51,009	60,189
Materials and supplies	11,700	51,700	26,702
Total facilities	176,354	216,354	196,822
Total police department	10,988,017	11,118,308	10,701,698
Fire department			
Operations			
Personal services	7,357,706	7,347,926	7,070,587
Contractual services	493,113	493,113	480,488
Materials and supplies	192,572	230,572	189,337
Capital outlay	22,100	224,727	207,249
Total operations	8,065,491	8,296,338	7,947,661

(This schedule is continued on the following pages.)

## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Fire department (Continued)			
Facilities			
Personal services	\$ 14,965	\$ 14,965	\$ 13,006
Contractual services	29,925	29,925	31,007
Materials and supplies	12,640	12,640	15,806
Capital outlay	7,000	47,000	46,665
Total facilities	64,530	104,530	106,484
Total fire department	8,130,021	8,400,868	8,054,145
TOTAL PUBLIC SAFETY	\$ 19,118,038	\$ 19,519,176	\$ 18,755,843
PUBLIC WORKS			
Public works administration			
Personal services	\$ 509,283	\$ 509,283	\$ 480,403
Contractual services	45,379	45,379	46,142
Materials and supplies	24,500	24,500	17,685
Total public works administration	579,162	579,162	544,230
Facilities			
Personal services	50,085	50,085	36,920
Contractual services	96,883	96,883	83,954
Materials and supplies	34,800	34,800	34,323
Capital outlay	44,000	44,000	54,148
Total facilities	225,768	225,768	209,345
Engineering			
Personal services	1,105,930	1,105,930	896,525
Contractual services	90,418	90,418	90,110
Materials and supplies	5,300	5,300	2,952
Capital outlay	4,950	4,950	3,412
Total engineering	1,206,598	1,206,598	992,999
TOTAL PUBLIC WORKS	\$ 2,011,528	\$ 2,011,528	\$ 1,746,574

(This schedule is continued on the following page.)

## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Original Budget	Final Budget	Actual
<b>ECONOMIC AND PHYSICAL DEVELOPMENT</b>			
Community development department			
Personal services	\$ 2,711,985	\$ 2,711,985	\$ 2,397,617
Contractual services	267,835	267,835	271,159
Materials and supplies	102,365	102,365	67,895
Total community development department	3,082,185	3,082,185	2,736,671
Economic development			
Personal services	77,140	77,140	73,277
Contractual services	9,947	9,947	9,687
Materials and supplies	391,000	391,000	365,729
Revenue sharing	515,000	515,000	158,884
Total economic development	993,087	993,087	607,577
<b>TOTAL ECONOMIC AND PHYSICAL DEVELOPMENT</b>	<b>\$ 4,075,272</b>	<b>\$ 4,075,272</b>	<b>\$ 3,344,248</b>
<b>TRANSIT</b>			
Operations			
Personal services	\$ 1,115,336	\$ 1,140,336	\$ 1,143,743
Contractual services	61,307	61,307	60,978
Materials and supplies	32,400	32,400	27,611
Total operations	1,209,043	1,234,043	1,232,332
Facilities			
Personal services	14,920	14,920	13,006
Contractual services	26,416	26,416	19,634
Materials and supplies	1,500	1,500	1,373
Capital outlay	4,000	4,000	2,930
Total facilities	46,836	46,836	36,943
<b>TOTAL TRANSIT</b>	<b>\$ 1,255,879</b>	<b>\$ 1,280,879</b>	<b>\$ 1,269,275</b>
<b>COMMISSIONS</b>			
Personal services	\$ 10,995	\$ 10,995	\$ 10,128
Contractual services	252,710	252,710	64,129
Materials and supplies	145,203	145,203	106,809
Reserves and contingencies	80,805	80,805	-
<b>TOTAL COMMISSIONS</b>	<b>\$ 489,713</b>	<b>\$ 489,713</b>	<b>\$ 181,066</b>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Final Budget	Actual
REVENUES		
Property taxes	\$ 3,333,275	\$ 3,405,351
Investment income	22,500	1,772
Miscellaneous	925,400	-
Total revenues	4,281,175	3,407,123
EXPENDITURES		
Debt service		
Principal	2,989,988	2,989,988
Interest and fiscal charges	1,654,062	1,652,888
Total expenditures	4,644,050	4,642,876
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(362,875)	(1,235,753)
OTHER FINANCING SOURCES (USES)		
Transfers in	382,374	1,307,774
Total other financing sources (uses)	382,374	1,307,774
NET CHANGE IN FUND BALANCE	\$ 19,499	72,021
FUND BALANCE, JANUARY 1		904,425
FUND BALANCE, DECEMBER 31		\$ 976,446

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Final Budget	Actual
REVENUES		
Property taxes	\$ 1,308,653	\$ 1,306,471
Charges for current services	-	25,160
Reimbursements	75,000	41,111
Investment income		
Interest income	62,500	3,394
Net appreciation in fair value of investments	-	15,441
Total revenues	1,446,153	1,391,577
EXPENDITURES		
Capital outlay	6,069,200	5,750,644
Total expenditures	6,069,200	5,750,644
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,623,047)	(4,359,067)
OTHER FINANCING SOURCES (USES)		
Bonds issued	4,200,000	-
Transfers in	1,950,000	1,950,000
Transfers (out)	(2,827,600)	-
Total other financing sources (uses)	3,322,400	1,950,000
NET CHANGE IN FUND BALANCES	<u>\$ (1,300,647)</u>	(2,409,067)
FUND BALANCES, JANUARY 1		<u>4,613,077</u>
FUND BALANCES, DECEMBER 31		<u>\$ 2,204,010</u>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

**Motor Fuel Tax Fund** - 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.

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

**Foreign Fire Insurance Tax Fund** - to account for the receipts and expenditures of this specific tax by the Board.

**Tax Increment Financing Fund** - to account for tax increment financing (TIF) property tax revenues and expenditures in accordance with redevelopment plans approved for each applicable TIF district.

**Working Capital Public Facility and Improvement Fund** - 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  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2009

	Special Revenue			Capital Projects		
	Motor Fuel Tax	Emergency 911 System	Foreign Fire Insurance Tax	Tax Increment Financing	Working Capital Public Facility and Improvement	Totals
ASSETS						
Cash and cash equivalents	\$ 4,477	\$ 195,228	\$ 171,677	\$ 457,373	\$ 18,764	\$ 847,519
Investments	-	-	319,124	-	50,000	369,124
Receivables						
Property tax	-	-	-	150,000	-	150,000
Intergovernmental	62,251	57,407	-	-	-	119,658
Loans	-	-	-	-	362,500	362,500
TOTAL ASSETS	\$ 66,728	\$ 252,635	\$ 490,801	\$ 607,373	\$ 431,264	\$ 1,848,801
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 2,545	\$ -	\$ -	\$ -	\$ 2,545
Accrued payroll	-	1,688	-	-	-	1,688
Deferred revenue	-	-	-	150,000	-	150,000
Due to other funds	111,000	-	-	-	-	111,000
Total liabilities	111,000	4,233	-	150,000	-	265,233
FUND BALANCES						
Reserved for loans receivable	-	-	-	-	362,500	362,500
Reserved for public facilities	-	-	-	-	68,764	68,764
Reserved for public safety	-	248,402	490,801	-	-	739,203
Reserved for economic development	-	-	-	457,373	-	457,373
Unreserved						
Undesignated (deficit)	(44,272)	-	-	-	-	(44,272)
Total fund balances (deficit)	(44,272)	248,402	490,801	457,373	431,264	1,583,568
TOTAL LIABILITIES AND FUND BALANCES	\$ 66,728	\$ 252,635	\$ 490,801	\$ 607,373	\$ 431,264	\$ 1,848,801

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Special Revenue			Capital Projects		
	Motor Fuel Tax	Emergency 911 System	Foreign Fire Insurance Tax	Tax Increment Financing	Working Capital Public Facility and Improvement	Totals
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 165,068	\$ -	\$ 165,068
Intergovernmental	-	-	98,878	-	-	98,878
Motor fuel tax allotments	775,017	-	-	-	-	775,017
Investment income	707	3	7,405	78	2,662	10,855
Miscellaneous	-	465,415	-	-	-	465,415
Total revenues	775,724	465,418	106,283	165,146	2,662	1,515,233
EXPENDITURES						
Current						
Public safety	-	561,014	61,485	-	-	622,499
Public works	830,000	-	-	27,832	-	857,832
Total expenditures	830,000	561,014	61,485	27,832	-	1,480,331
NET CHANGE IN FUND BALANCES	(54,276)	(95,596)	44,798	137,314	2,662	34,902
FUND BALANCES, JANUARY 1	10,004	343,998	446,003	320,059	428,602	1,548,666
FUND BALANCES (DEFICIT), DECEMBER 31	\$ (44,272)	\$ 248,402	\$ 490,801	\$ 457,373	\$ 431,264	\$ 1,583,568

(See independent auditor's report.)



CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Final Budget	Actual
REVENUES		
Motor fuel tax allotments	\$ 840,000	\$ 775,017
Investment income	10,000	707
Total revenues	850,000	775,724
EXPENDITURES		
Contractual services	850,000	830,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	850,000	830,000
NET CHANGE IN FUND BALANCE	\$ -	(54,276)
FUND BALANCE, JANUARY 1		10,004
FUND BALANCE (DEFICIT), DECEMBER 31		\$ (44,272)

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

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

For the Year Ended December 31, 2009

	Final Budget	Actual
REVENUES		
Investment income	\$ 5,000	\$ 3
Miscellaneous	471,700	465,415
Total revenues	476,700	465,418
EXPENDITURES		
Public safety		
Personal services	380,530	360,325
Contractual services	221,085	200,689
Total expenditures	601,615	561,014
NET CHANGE IN FUND BALANCE	<u>\$ (124,915)</u>	(95,596)
FUND BALANCE, JANUARY 1		<u>343,998</u>
FUND BALANCE, DECEMBER 31		<u>\$ 248,402</u>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAX INCREMENT FINANCING FUND

For the Year Ended December 31, 2009

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	Final Budget	Actual
REVENUES		
Property taxes	\$ 100,000	\$ 165,068
Investment income	7,500	78
Total revenues	107,500	165,146
EXPENDITURES		
Contractual services	35,300	27,832
Total expenditures	35,300	27,832
NET CHANGE IN FUND BALANCE	<u>\$ 72,200</u>	137,314
FUND BALANCE, JANUARY 1		<u>320,059</u>
FUND BALANCE, DECEMBER 31		<u>\$ 457,373</u>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WORKING CAPITAL PUBLIC FACILITY AND IMPROVEMENT FUND

For the Year Ended December 31, 2009

	Final Budget	Actual
REVENUES		
Investment income	\$ -	\$ 2,662
Total revenues	-	2,662
EXPENDITURES		
None	-	-
Total expenditures	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	2,662
FUND BALANCE, JANUARY 1		<u>428,602</u>
FUND BALANCE, DECEMBER 31		<u>\$ 431,264</u>

(See independent auditor's report.)

## MAJOR 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 City-owned parking, water facilities and services, golf course, and other City-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

SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
MOTOR VEHICLE PARKING SYSTEM FUND

For the Year Ended December 31, 2009

	Final Budget	Actual
OPERATING REVENUES		
Parking collections	\$ 632,495	\$ 609,349
Parking violations	275,200	306,790
Total operating revenues	907,695	916,139
OPERATING EXPENSES		
Personal services	324,256	310,133
Contractual services	358,480	306,243
Materials and supplies	8,602	22,124
Small tools and equipment	17,000	16,871
Administrative reimbursements	93,275	93,275
Total operating expenses	801,613	748,646
OPERATING INCOME	106,082	167,493
NONOPERATING REVENUES (EXPENSES)		
Investment income	25,000	13
Total nonoperating revenues (expenses)	25,000	13
NET INCOME - BUDGET BASIS	131,082	167,506
ADJUSTMENTS TO GAAP BASIS		
Capital assets capitalized	-	15,780
Depreciation	-	(242,107)
Total adjustments to GAAP basis	-	(226,327)
CHANGE IN NET ASSETS	\$ 131,082	(58,821)
NET ASSETS, JANUARY 1		5,157,999
NET ASSETS, DECEMBER 31		\$ 5,099,178

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
WATER FUND

For the Year Ended December 31, 2009

	Final Budget	Actual
OPERATING REVENUES		
Water sales	\$ 6,750,000	\$ 6,498,202
Water permit fees	75,000	41,431
Miscellaneous	22,000	17,390
Total operating revenues	6,847,000	6,557,023
OPERATING EXPENSES		
Personal services	2,332,380	2,112,899
Contractual services	1,223,719	1,082,548
Materials and supplies	475,265	398,050
Repairs and maintenance	104,701	38,153
Capital outlay	7,642,000	1,427,537
Administrative reimbursements	953,000	953,000
Total operating expenses	12,731,065	6,012,187
OPERATING INCOME (LOSS)	(5,884,065)	544,836
NONOPERATING REVENUES (EXPENSES)		
Investment income		
Interest income	75,000	7,557
Net appreciation in fair value of investments	150,000	286,578
Debt service		
Principal	(575,000)	(575,000)
Interest and fiscal charges	(500,410)	(506,712)
Total nonoperating revenues (expenses)	(850,410)	(787,577)
NET INCOME (LOSS) - BUDGET BASIS	(6,734,475)	(242,741)
ADJUSTMENTS TO GAAP BASIS		
Capital assets capitalized	-	967,757
Depreciation	-	(1,292,543)
Principal paid	-	575,000
Developer contributions	-	150,000
Total adjustments to GAAP basis	-	400,214
CHANGE IN NET ASSETS	<u>\$ (6,734,475)</u>	157,473
NET ASSETS, JANUARY 1		19,274,259
NET ASSETS, DECEMBER 31		<u>\$ 19,431,732</u>

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
HIGHLAND PARK COUNTRY CLUB FUND

For the Year Ended December 31, 2009

	Final Budget	Actual
OPERATING REVENUES		
Charges for goods and services	\$ 3,090,000	\$ 2,461,061
Other	155,000	105,421
Total operating revenues	3,245,000	2,566,482
OPERATING EXPENSES		
Contractual services	2,770,000	2,643,993
Small tools and equipment	-	10,565
Total operating expenses	2,770,000	2,654,558
OPERATING INCOME (LOSS)	475,000	(88,076)
NONOPERATING REVENUES (EXPENSES)		
Investment income	-	3
Debt service		
Principal	(190,000)	(190,000)
Interest expense and fiscal charges	(52,175)	(54,610)
Total nonoperating revenues (expenses)	(242,175)	(244,607)
NET INCOME (LOSS) BEFORE TRANSFERS	232,825	(332,683)
TRANSFERS		
Transfers (out)	(100,000)	(100,000)
Total transfers	(100,000)	(100,000)
NET INCOME (LOSS) - BUDGET BASIS	132,825	(432,683)
ADJUSTMENTS TO GAAP BASIS		
Depreciation	-	(361,369)
Principal paid	-	190,000
Total adjustments to GAAP basis	-	(171,369)
CHANGE IN NET ASSETS	\$ 132,825	(604,052)
NET ASSETS, JANUARY 1		10,373,049
NET ASSETS, DECEMBER 31		\$ 9,768,997

(See independent auditor's report.)



## 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 STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS

December 31, 2009

	Equipment Maintenance and Replacement	Insurance	Totals
<b>CURRENT ASSETS</b>			
Cash	\$ 1,862,542	\$ 1,145,954	\$ 3,008,496
Accounts receivable	-	51,967	51,967
Prepaid expenses	156,653	-	156,653
Total current assets	2,019,195	1,197,921	3,217,116
<b>CAPITAL ASSETS</b>			
Equipment	10,872,171	-	10,872,171
Accumulated depreciation	(8,212,819)	-	(8,212,819)
Net capital assets	2,659,352	-	2,659,352
Total assets	4,678,547	1,197,921	5,876,468
<b>CURRENT LIABILITIES</b>			
Accounts payable	62,176	537,728	599,904
Accrued payroll	68,943	1,151	70,094
Total current liabilities	131,119	538,879	669,998
<b>LONG-TERM LIABILITIES</b>			
None	-	-	-
Total liabilities	131,119	538,879	669,998
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,659,352	-	2,659,352
Unrestricted	1,888,076	659,042	2,547,118
<b>TOTAL NET ASSETS</b>	<b>\$ 4,547,428</b>	<b>\$ 659,042</b>	<b>\$ 5,206,470</b>

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2009

	Equipment Maintenance and Replacement	Insurance	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ 3,505,378	\$ 6,275,305	\$ 9,780,683
Miscellaneous	56,590	-	56,590
Total operating revenues	3,561,968	6,275,305	9,837,273
<b>OPERATING EXPENSES</b>			
Personal services	1,246,662	87,053	1,333,715
Contractual services	273,547	6,317,953	6,591,500
Materials and supplies	645,096	926	646,022
Repairs and maintenance	294,148	-	294,148
Small tools and equipment	-	2,647	2,647
Total operating expenses	2,459,453	6,408,579	8,868,032
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION</b>			
	1,102,515	(133,274)	969,241
Depreciation	667,848	-	667,848
<b>OPERATING INCOME (LOSS)</b>	434,667	(133,274)	301,393
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Gain (loss) on sale of capital assets	(50,970)	-	(50,970)
Investment income	2,787	3	2,790
Total nonoperating revenues (expenses)	(48,183)	3	(48,180)
<b>CHANGE IN NET ASSETS</b>	386,484	(133,271)	253,213
<b>NET ASSETS, JANUARY 1</b>	4,160,944	792,313	4,953,257
<b>NET ASSETS, DECEMBER 31</b>	\$ 4,547,428	\$ 659,042	\$ 5,206,470

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2009

	Equipment Maintenance and Replacement	Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 57,268	\$ 1,305,665	\$ 1,362,933
Receipts from interfund services	3,505,378	4,925,140	8,430,518
Payments to suppliers	(1,368,381)	(5,389,101)	(6,757,482)
Payments to employees	(1,268,959)	(85,902)	(1,354,861)
Net cash from operating activities	925,306	755,802	1,681,108
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sale of capital assets	30,461	-	30,461
Purchase of capital assets	(508,590)	-	(508,590)
Net cash from capital and related financing activities	(478,129)	-	(478,129)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	2,787	3	2,790
Net cash from investing activities	2,787	3	2,790
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	449,964	755,805	1,205,769
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	1,412,578	390,149	1,802,727
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 1,862,542</u>	<u>\$ 1,145,954</u>	<u>\$ 3,008,496</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 434,667	\$ (133,274)	\$ 301,393
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	667,848	-	667,848
Changes in assets and liabilities			
Accounts receivable	678	(28,603)	(27,925)
Prepaid expenses	(156,653)	454,171	297,518
Accounts payable	1,063	478,254	479,317
Accrued payroll	(22,297)	1,151	(21,146)
Unearned revenue	-	(15,897)	(15,897)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 925,306</u>	<u>\$ 755,802</u>	<u>\$ 1,681,108</u>

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
EQUIPMENT MAINTENANCE AND REPLACEMENT FUND

For the Year Ended December 31, 2009

	Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 3,505,378	\$ 3,505,378
Miscellaneous	90,975	56,590
Total operating revenues	3,596,353	3,561,968
OPERATING EXPENSES		
Personal services	1,363,405	1,246,662
Contractual services	323,607	273,547
Materials and supplies	888,697	645,096
Repairs and maintenance	306,713	295,379
Capital outlay	602,958	507,359
Total operating expenses	3,485,380	2,968,043
OPERATING INCOME	110,973	593,925
NONOPERATING REVENUE (EXPENSES)		
Gain (loss) on sale of capital assets	-	(50,970)
Investment income	25,000	2,787
Total nonoperating revenues (expenses)	25,000	(48,183)
NET INCOME - BUDGET BASIS	135,973	545,742
ADJUSTMENTS TO GAAP BASIS		
Capital assets capitalized	-	508,590
Depreciation	-	(667,848)
Total adjustments to GAAP basis	-	(159,258)
CHANGE IN NET ASSETS	\$ 135,973	386,484
NET ASSETS, JANUARY 1		4,160,944
NET ASSETS, DECEMBER 31		\$ 4,547,428

(See independent auditor's report.)

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
INSURANCE FUND

For the Year Ended December 31, 2009

	Final Budget	Actual
OPERATING REVENUES		
Charges for current services	\$ 6,294,944	\$ 6,275,305
Total operating revenues	6,294,944	6,275,305
OPERATING EXPENSES		
Personal services	88,673	87,053
Contractual services	6,519,064	6,317,953
Materials and supplies	50	926
Small tools and equipment	5,450	2,647
Total operating expenses	6,613,237	6,408,579
OPERATING INCOME (LOSS)	(318,293)	(133,274)
NONOPERATING REVENUES (EXPENSES)		
Investment income	-	3
Total nonoperating revenues (expenses)	-	3
CHANGE IN NET ASSETS	\$ (318,293)	(133,271)
NET ASSETS, JANUARY 1		792,313
NET ASSETS, DECEMBER 31		\$ 659,042

(See independent auditor's report.)

## FIDUCIARY FUNDS

### **Pension Trust Fund**

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

### **Agency Fund**

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

**Special Assessment Fund** - 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 Fund** - 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 STATEMENT OF PLAN NET ASSETS  
PENSION TRUST FUNDS

December 31, 2009

	Police Pension	Firefighters' Pension	Totals
<hr/>			
ASSETS			
Cash and cash equivalents	\$ 1,295,841	\$ 553,292	\$ 1,849,133
Investments, at fair value			
U.S. Government obligations	12,560,176	14,447,579	27,007,755
Mutual funds	7,263,838	6,717,721	13,981,559
Common stock	6,200,567	5,658,707	11,859,274
	<hr/>		
Total investments	26,024,581	26,824,007	52,848,588
	<hr/>		
Receivables			
Accrued interest	114,570	123,976	238,546
	<hr/>		
Total receivables	114,570	123,976	238,546
	<hr/>		
Total assets	27,434,992	27,501,275	54,936,267
	<hr/>		
LIABILITIES			
Accounts payable	16,169	25,745	41,914
	<hr/>		
Total liabilities	16,169	25,745	41,914
	<hr/>		
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 27,418,823	\$ 27,475,530	\$ 54,894,353
	<hr/>		

(See independent auditor's report.)



## CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS

For the Year Ended December 31, 2009

	Police Pension	Firefighters' Pension	Totals
ADDITIONS			
Contributions - employer			
Property taxes	\$ 1,332,788	\$ 1,161,784	\$ 2,494,572
Contributions - plan members	475,430	411,133	886,563
Contributions - other	350	1,670	2,020
Total contributions	1,808,568	1,574,587	3,383,155
Investment income			
Net appreciation in fair value of investments	2,546,347	2,183,521	4,729,868
Interest earned on investments	784,403	758,164	1,542,567
Total investment income	3,330,750	2,941,685	6,272,435
Less investment expense	(105,221)	(83,604)	(188,825)
Net investment income	3,225,529	2,858,081	6,083,610
Total additions	5,034,097	4,432,668	9,466,765
DEDUCTIONS			
Pensions and refunds	2,621,869	2,363,694	4,985,563
Miscellaneous			
Contractual professional services	35,675	24,590	60,265
Total deductions	2,657,544	2,388,284	5,045,828
NET INCREASE	2,376,553	2,044,384	4,420,937
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	25,042,270	25,431,146	50,473,416
December 31	\$ 27,418,823	\$ 27,475,530	\$ 54,894,353

(See independent auditor's report.)

## CITY OF HIGHLAND PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended December 31, 2009

	Balances January 1	Additions	Deductions	Balances December 31
<b>ALL FUNDS</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,328,875	\$ 1,956,310	\$ 2,439,898	\$ 2,845,287
Accounts receivable	15,916	1,470,725	1,473,168	13,473
<b>TOTAL ASSETS</b>	<b>\$ 3,344,791</b>	<b>\$ 3,427,035</b>	<b>\$ 3,913,066</b>	<b>\$ 2,858,760</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 439,037	\$ 473,169	\$ 474,164	\$ 438,042
Accrued payroll	395	169	395	169
Due to others	1,516,539	265,858	500,518	1,281,879
Deposits payable	1,388,820	894,997	1,145,147	1,138,670
<b>TOTAL LIABILITIES</b>	<b>\$ 3,344,791</b>	<b>\$ 1,634,193</b>	<b>\$ 2,120,224</b>	<b>\$ 2,858,760</b>
<b>GENERAL DEPOSIT FUND</b>				
<b>ASSETS</b>				
Cash	\$ 1,372,904	\$ 1,443,418	\$ 1,691,125	\$ 1,125,197
Accounts receivable	15,916	1,470,725	1,473,168	13,473
<b>TOTAL ASSETS</b>	<b>\$ 1,388,820</b>	<b>\$ 2,914,143</b>	<b>\$ 3,164,293</b>	<b>\$ 1,138,670</b>
<b>LIABILITIES</b>				
Deposits payable	\$ 1,388,820	\$ 894,997	\$ 1,145,147	\$ 1,138,670
<b>TOTAL LIABILITIES</b>	<b>\$ 1,388,820</b>	<b>\$ 894,997</b>	<b>\$ 1,145,147</b>	<b>\$ 1,138,670</b>

(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 December 31, 2009

	Balances January 1	Additions	Deductions	Balances December 31
<b>SPECIAL ASSESSMENT FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 438,037	\$ 5	\$ -	\$ 438,042
<b>TOTAL ASSETS</b>	<b>\$ 438,037</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 438,042</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 438,037	\$ 5	\$ -	\$ 438,042
<b>TOTAL LIABILITIES</b>	<b>\$ 438,037</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 438,042</b>
<b>HOUSING TRUST FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,517,934	\$ 512,887	\$ 748,773	\$ 1,282,048
<b>TOTAL ASSETS</b>	<b>\$ 1,517,934</b>	<b>\$ 512,887</b>	<b>\$ 748,773</b>	<b>\$ 1,282,048</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,000	\$ 473,164	\$ 474,164	\$ -
Accrued payroll	395	169	395	169
Due to others	1,516,539	265,858	500,518	1,281,879
<b>TOTAL LIABILITIES</b>	<b>\$ 1,517,934</b>	<b>\$ 739,191</b>	<b>\$ 975,077</b>	<b>\$ 1,282,048</b>

(See independent auditor's report.)



## **City of Highland Park, Illinois**

### ***Statistical Section***

#### ***(Unaudited)***

This part of the City of Highland Park, Illinois' Comprehensive Annual Financial Report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This section includes data for the City only and does not include the City's component units except where noted. In 2007, the City changed its fiscal year end to December 31. Where applicable the tables will only contain data for the eight months ending December 31, 2007. This information has not been audited by independent auditors.

#### **Contents**

##### **Financial Trends**

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in a historical prospective.

##### **Revenue Capacity**

These tables contain information that may assist the reader in understanding and assessing the City's two most significant sources of "own-source" revenue, property tax, and sales tax.

##### **Debt Capacity**

These tables contain information intended to assist the reader in understanding and assessing the City's debt burden and ability to issue additional debt.

##### **Demographic and Economic**

These tables are intended to provide the reader an understanding of the environment within which the City operates, and provide comparisons of information over time.

##### **Operating Information**

These tables are intended to provide information on the City's operations and resources to assist the reader in using the financial statements to understand and assess the City's economic condition.



## **Financial Trends**

CITY OF HIGHLAND PARK, ILLINOIS  
STATEMENT OF NET ASSETS BY COMPONENT

Last Seven Fiscal Years

	2004	2005	2006	2007	2007*	2008	2009
GOVERNMENTAL ACTIVITIES							
Invested in capital assets, net of related debt	\$ 34,615,233	\$ 94,907,427	\$ 90,605,742	\$ 93,387,691	\$ 96,339,097	\$ 96,490,406	\$ 97,194,831
Restricted	2,549,447	10,706,878	11,419,596	10,461,157	9,225,744	7,107,210	5,139,201
Unrestricted	14,711,532	9,454,256	12,850,494	15,590,474	21,208,977	26,827,748	18,739,402
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	\$ 51,876,212	\$ 115,068,561	\$ 114,875,832	\$ 119,439,322	\$ 126,773,818	\$ 130,425,364	\$ 121,073,434
BUSINESS-TYPE ACTIVITIES							
Invested in capital assets, net of related debt	\$ 32,604,103	\$ 24,967,935	\$ 27,575,451	\$ 28,707,758	\$ 29,931,296	\$ 30,126,135	\$ 29,453,502
Unrestricted	2,071,930	1,969,534	3,177,220	4,117,114	4,855,152	4,679,172	4,846,405
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	\$ 34,676,033	\$ 26,937,469	\$ 30,752,671	\$ 32,824,872	\$ 34,786,448	\$ 34,805,307	\$ 34,299,907
PRIMARY GOVERNMENT							
Invested in capital assets, net of related debt	\$ 67,219,336	\$ 119,875,362	\$ 118,181,193	\$ 122,095,449	\$ 118,822,250	\$ 126,616,541	\$ 126,648,333
Restricted	2,549,447	10,706,878	11,419,596	10,461,157	9,225,744	7,107,210	5,139,201
Unrestricted	16,783,462	11,423,790	16,027,714	19,707,588	33,512,272	31,506,920	23,585,807
TOTAL PRIMARY GOVERNMENT	\$ 86,552,245	\$ 142,006,030	\$ 145,628,503	\$ 152,264,194	\$ 161,560,266	\$ 165,230,671	\$ 155,373,341

Note: Information not available for years prior to 2004.

\* Eight months ended December 31, 2007

CITY OF HIGHLAND PARK, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2007*	2008	2009
<b>GENERAL FUND</b>										
Reserved	\$ 579,676	\$ 300,000	\$ -	\$ 43,436	\$ 17,793,436	\$ 16,518,436	\$ 16,340,000	\$ 17,128,260	\$ 22,309,500	\$ 16,212,900
Unreserved	6,287,134	6,334,700	8,638,274	11,751,196	10,188,720	11,945,951	14,652,292	17,062,183	18,485,787	17,263,332
Subtotal general fund	6,866,810	6,634,700	8,638,274	11,794,632	27,982,156	28,464,387	30,992,292	34,190,443	40,795,287	33,476,232
% Change from prior year	-19.1%	-3.4%	30.2%	36.5%	137.2%	1.7%	8.9%	10.3%	19.3%	-17.9%
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	1,037,714	-	1,752,438	2,974,447	8,342,737	11,819,596	7,273,906	9,225,744	7,107,210	5,139,201
Unreserved, reported in										
Capital Projects Fund	3,482,397	2,242,190	4,868,117	6,237,450	-	-	-	176,894	320,059	-
Special Revenue Funds	725,768	898,624	361,738	(508,917)	(493,701)	-	-	-	-	(44,272)
Debt Service Funds	-	(62,041)	-	-	-	-	-	-	-	-
Subtotal all other funds	5,245,879	3,078,773	6,982,293	8,702,980	7,849,036	11,819,596	7,273,906	9,402,638	7,427,269	5,094,929
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 12,112,689</b>	<b>\$ 9,713,473</b>	<b>\$ 15,620,567</b>	<b>\$ 20,497,612</b>	<b>\$ 35,831,192</b>	<b>\$ 40,283,983</b>	<b>\$ 38,266,198</b>	<b>\$ 43,593,081</b>	<b>\$ 48,222,556</b>	<b>\$ 38,571,161</b>
% Change from prior year	-3.6%	-19.8%	60.8%	31.2%	74.8%	12.4%	-5.0%	13.9%	10.6%	-20.0%

\* Eight months ended December 31, 2007

## CITY OF HIGHLAND PARK, ILLINOIS

## CHANGE IN NET ASSETS

Last Seven Fiscal Years

	2004	2005	2006	2007	2007*	2008	2009
<b>GOVERNMENTAL ACTIVITIES</b>							
Program Revenues							
Charges for services							
General government	\$ 940,539	\$ 949,822	\$ 983,609	\$ 1,742,176	\$ 1,240,959	\$ 1,394,081	\$ 1,181,576
Public safety	1,160,238	1,112,236	1,359,838	1,408,280	1,050,636	1,678,097	1,788,480
Public works	1,967,664	3,577,575	2,484,809	2,980,597	2,786,680	3,099,321	2,832,744
Economic/physical development	2,359,148	1,659,090	1,813,053	1,830,329	942,267	2,240,709	757,302
Transit	920,879	951,361	1,069,354	1,055,305	778,569	1,077,078	1,137,630
Operating grants	858,067	884,766	872,489	891,528	652,180	796,375	1,020,613
Capital grants	556,361	551,346	537,489	2,450,790	408,052	780,469	658,069
General Revenues							
Property taxes	9,887,448	10,001,506	10,207,239	9,376,023	9,952,745	10,628,574	11,047,744
Sales taxes	12,038,527	12,092,028	12,790,251	13,335,043	9,397,328	12,451,204	11,077,115
Other taxes	9,575,549	9,887,466	12,062,977	13,089,692	8,011,821	11,959,642	10,459,051
Payment in lieu of taxes	-	-	-	-	-	-	496,932
Other	838,019	329,109	960,346	1,911,975	2,609,554	6,470,264	(5,838,409)
Total revenues	41,102,439	41,996,305	45,141,454	50,071,738	37,830,791	52,575,814	36,618,847
Expenses							
General government	6,841,255	7,709,170	9,423,178	5,430,237	3,291,348	5,682,525	4,835,221
Public safety	18,632,313	16,671,814	18,056,277	19,286,651	13,931,034	20,358,646	20,411,508
Public works	7,489,204	11,784,555	10,133,409	12,824,653	9,309,655	15,695,342	14,075,727
Economic/physical development	5,889,721	4,093,676	5,034,721	4,341,647	2,929,461	3,765,001	3,695,884
Transit	1,148,215	1,219,866	1,227,855	1,199,521	967,852	1,325,557	1,276,898
Commissions	1,450,664	640,026	1,050,967	650,680	354,650	432,611	432,148
Interest	676,833	858,741	1,629,285	1,874,859	1,161,404	1,764,586	1,658,678
Total expenses	42,128,205	42,977,848	46,555,692	45,608,248	31,945,404	49,024,268	46,386,064



	2004	2005	2006	2007	2007*	2008	2009
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS AND SPECIAL ITEM	\$ (1,025,766)	\$ (981,543)	\$ (1,414,238)	\$ 4,463,490	\$ 5,885,387	\$ 3,551,546	\$ (9,767,217)
Transfers	491,097	774,800	987,300	100,000	100,000	100,000	100,000
Special item	-	-	-	-	1,306,489	-	-
INCREASE (DECREASE) IN NET ASSETS	\$ (534,669)	\$ (206,743)	\$ (426,938)	\$ 4,563,490	\$ 7,291,876	\$ 3,651,546	\$ (9,667,217)
BUSINESS-TYPE ACTIVITIES							
Program Revenues							
Charges for services							
Parking system	\$ 741,581	\$ 901,451	\$ 898,751	\$ 950,111	\$ 599,376	\$ 1,070,944	\$ 916,139
Water	6,768,646	6,737,818	7,753,939	7,016,692	5,361,021	6,756,248	6,557,023
Country Club	3,322,558	3,047,470	2,868,895	3,049,689	2,636,911	2,945,849	2,566,482
Capital grants	-	-	-	214,392	297,608	289,084	150,000
Other	16,958	(20,818)	2,120,460	337,866	127,500	393,686	294,151
Total revenues	10,849,743	10,665,921	13,642,045	11,568,750	9,022,416	11,455,811	10,483,795
Expenses							
Parking	927,189	857,921	736,329	893,709	568,121	1,160,791	974,973
Water	5,285,414	4,533,636	5,111,901	5,613,619	4,387,664	6,993,813	6,843,685
Country Club	2,540,970	3,106,734	3,252,180	3,223,794	2,414,382	3,182,348	3,070,537
Total expenses	8,753,573	8,498,291	9,100,410	9,731,122	7,370,167	11,336,952	10,889,195
INCREASE IN NET ASSETS BEFORE TRANSFERS AND CONTRIBUTIONS	2,096,170	2,167,630	4,541,635	1,837,628	1,652,249	118,859	(405,400)
Transfers	(491,097)	(774,800)	(987,300)	(100,000)	(100,000)	(100,000)	(100,000)
Contributions	-	-	-	-	409,327	-	-
INCREASE IN NET ASSETS	\$ 1,605,073	\$ 1,392,830	\$ 3,554,335	\$ 1,737,628	\$ 1,961,576	\$ 18,859	\$ (505,400)

## CITY OF HIGHLAND PARK, ILLINOIS

## CHANGE IN NET ASSETS (Continued)

Last Seven Fiscal Years

	2004	2005	2006	2007	2007*	2008	2009
<b>TOTAL NET ASSETS</b>							
Program Revenues							
Charges for services	\$ 18,181,253	\$ 18,936,823	\$ 19,232,248	\$ 20,033,179	\$ 15,396,419	\$ 20,262,327	\$ 17,737,376
Operating grants	858,067	884,766	872,489	891,528	652,180	796,375	1,020,613
Capital grants	556,361	551,346	537,489	2,665,182	705,660	1,069,553	808,069
General Revenues							
Property taxes	9,887,448	10,001,506	10,207,239	9,376,023	9,952,745	10,628,574	11,047,744
Sales taxes	12,038,527	12,092,028	12,790,251	13,335,043	9,397,328	12,451,204	11,077,115
Other taxes	9,575,549	9,887,466	12,062,977	13,089,692	8,011,821	11,959,642	10,459,051
Payment in lieu of taxes	-	-	-	-	-	-	496,932
Other	854,977	308,291	3,080,806	2,249,841	2,737,054	6,863,950	(5,544,258)
<b>Total revenues</b>	<b>51,952,182</b>	<b>52,662,226</b>	<b>58,783,499</b>	<b>61,640,488</b>	<b>46,853,207</b>	<b>64,031,625</b>	<b>47,102,642</b>
Expenses							
General government	6,841,255	7,709,170	9,423,178	5,430,237	3,291,348	5,682,525	4,835,221
Public safety	18,632,313	16,671,814	18,056,277	19,286,651	13,931,034	20,358,646	20,411,508
Public works	7,489,204	11,784,555	10,133,409	12,824,653	9,309,655	15,695,342	14,075,727
Economic/physical development	5,889,721	4,093,676	5,034,721	4,341,647	2,929,461	3,765,001	3,695,884
Transit	1,148,215	1,219,866	1,227,855	1,199,521	967,852	1,325,557	1,276,898
Commissions	1,450,664	640,026	1,050,967	650,680	354,650	432,611	432,148
interest	676,833	858,741	1,629,285	1,874,859	1,161,404	1,764,586	1,658,678
Parking	927,189	857,921	736,329	893,709	568,121	1,160,791	974,973
Water	5,285,414	4,533,636	5,111,901	5,613,619	4,387,664	6,993,813	6,843,685
Country Club	2,540,970	3,106,734	3,252,180	3,223,794	2,414,382	3,182,348	3,070,537
<b>Total expenses</b>	<b>50,881,778</b>	<b>51,476,139</b>	<b>55,656,102</b>	<b>55,339,370</b>	<b>39,315,571</b>	<b>60,361,220</b>	<b>57,275,259</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 1,070,404</b>	<b>\$ 1,186,087</b>	<b>\$ 3,127,397</b>	<b>\$ 6,301,118</b>	<b>\$ 7,537,636</b>	<b>\$ 3,670,405</b>	<b>\$ (10,172,617)</b>

Note: Information not available for years prior to 2004.

\* Eight months ended December 31, 2007

## CITY OF HIGHLAND PARK, ILLINOIS

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2007*	2008	2009
<b>REVENUES</b>										
Property taxes	\$ 9,277,927	\$ 9,467,517	\$ 9,864,155	\$ 9,887,448	\$ 10,001,506	\$ 10,207,240	\$ 9,376,024	\$ 9,952,746	\$ 10,628,575	\$ 11,047,743
Illinois state replacement taxes	202,102	197,481	147,631	212,981	208,941	311,520	339,577	250,779	345,105	291,142
Licenses and permits	2,288,820	2,122,644	2,264,264	3,080,069	2,724,895	2,776,953	2,730,449	1,999,361	2,156,328	1,839,326
Charges for current services	1,580,716	1,809,531	1,914,404	1,983,841	2,028,915	2,422,280	3,154,137	2,208,303	3,422,291	3,699,703
Municipal sales tax	10,492,993	10,706,499	10,014,358	12,038,527	12,092,027	12,790,251	13,335,043	9,397,327	12,451,204	11,077,114
Fines and forfeitures	250,070	265,609	346,179	360,475	259,806	387,891	315,385	214,996	411,633	381,141
Utility tax	3,648,778	3,921,731	3,743,805	3,469,014	2,785,652	3,114,634	3,120,499	1,684,513	3,106,464	2,595,912
Real estate transfer tax	1,938,210	1,787,298	2,000,860	2,174,270	2,420,485	2,919,960	2,809,795	1,267,630	1,202,395	812,399
Motor fuel tax allotment	890,950	863,746	974,586	858,067	884,766	872,489	878,063	571,450	794,755	775,017
Intergovernmental	-	-	-	498,679	457,372	363,846	784,245	486,513	196,075	345,474
Illinois state income tax	2,420,065	1,872,494	1,913,363	1,823,033	2,048,727	2,312,384	2,550,586	1,787,461	2,864,722	2,447,710
Regional Transportation Authority reimbursement	839,264	813,974	892,506	920,879	951,361	1,069,354	1,055,305	778,569	1,077,078	1,137,630
Franchise fees	447,674	490,829	404,331	836,675	2,072,215	2,215,223	2,491,923	1,789,494	2,612,081	2,542,276
Payment in lieu of taxes	-	-	-	-	-	-	-	-	-	496,932
Other taxes	-	-	-	572,140	2,165	938,110	1,222,126	913,627	1,723,064	1,670,735
Fire insurance tax	-	-	-	-	-	-	-	-	-	-
Grants	-	-	3,251,623	-	-	-	-	-	-	-
Reimbursements-other agencies	165,505	4,052	-	383,390	2,113,977	372,481	1,265,655	1,436,917	781,517	151,022
Investment income	1,265,945	769,792	518,514	159,640	329,106	960,347	1,911,974	2,609,552	1,153,313	793,992
Net appreciation in fair value of investments	-	-	-	-	-	-	-	-	5,571,520	(5,863,860)
Miscellaneous	1,224,027	1,431,870	1,572,770	1,005,293	614,389	1,106,491	1,004,510	481,553	2,332,267	954,326
<b>Total revenues</b>	<b>36,933,046</b>	<b>36,525,067</b>	<b>39,823,349</b>	<b>40,264,421</b>	<b>41,996,305</b>	<b>45,141,454</b>	<b>48,345,296</b>	<b>37,830,791</b>	<b>52,830,387</b>	<b>37,195,734</b>
<b>EXPENDITURES</b>										
General government	7,475,502	7,803,267	8,338,055	6,308,791	7,027,043	7,591,557	5,625,763	3,087,130	5,456,559	4,821,067
Public safety	11,699,586	12,155,248	12,849,750	14,926,595	15,589,024	16,919,612	17,781,459	13,635,023	19,222,999	19,378,342
Public works	8,570,979	7,212,971	7,758,732	6,742,600	6,756,359	7,065,885	7,297,877	5,482,463	8,469,091	7,792,379
Employee retirement benefits	1,561,815	1,807,131	1,618,747	-	-	-	-	-	-	-
Other	937,909	1,682,339	1,078,801	-	-	-	-	-	-	-
Capital outlay	4,600,374	5,487,318	10,961,100	10,969,429	6,790,817	11,206,922	8,851,103	4,678,095	5,028,153	5,833,163
Economic and physical development	-	-	-	3,339,672	3,467,023	3,862,701	3,786,103	2,538,460	3,885,286	3,344,248
Transit	-	-	-	1,128,989	1,212,533	1,185,939	1,210,370	962,584	1,340,683	1,269,275
Bond issuance costs	-	-	-	29,939	-	-	-	-	-	-
Commissions	-	-	-	271,750	280,372	263,188	402,459	190,504	179,815	181,066
Debt service	3,175,152	4,107,476	4,464,514	4,419,720	-	-	-	-	-	-
Principal	-	-	-	-	2,680,000	2,495,784	2,618,678	2,769,094	2,959,531	2,989,988
Interest and fiscal charges	-	-	-	-	898,711	1,326,275	1,845,057	1,760,555	1,758,795	1,652,888
<b>Total expenditures</b>	<b>38,021,317</b>	<b>40,255,750</b>	<b>47,069,699</b>	<b>48,137,485</b>	<b>44,701,882</b>	<b>51,917,863</b>	<b>49,418,869</b>	<b>35,103,908</b>	<b>48,300,912</b>	<b>47,262,416</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,088,271)</b>	<b>(3,730,683)</b>	<b>(7,246,350)</b>	<b>(7,873,064)</b>	<b>(2,705,577)</b>	<b>(6,776,409)</b>	<b>(1,073,573)</b>	<b>2,726,883</b>	<b>4,529,475</b>	<b>(10,066,682)</b>

## CITY OF HIGHLAND PARK, ILLINOIS

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2007*	2008	2009
OTHER FINANCING SOURCES (USES)										
Bonds issued	\$ -	\$ 6,295,733	\$ 8,413,730	\$ 9,000,000	\$ 16,590,000	\$ 11,000,000	\$ -	\$ 2,500,000	\$ -	\$ -
Proceeds from sale of capital assets	-	-	-	3,876,013	492,061	8,200	455,788	-	-	-
Payments to escrow agent	-	(6,291,679)	7,078,471	-	-	(1,000,509)	-	-	-	-
Transfers in	6,903,683	3,621,796	(6,031,075)	5,560,657	6,928,355	3,691,254	3,070,800	2,978,550	3,606,660	3,257,774
Transfers (out)	(6,263,930)	(2,772,902)	-	(5,069,560)	(6,153,555)	(2,703,954)	(4,470,800)	(2,878,550)	(3,506,660)	(3,157,774)
Total other financing sources (uses)	639,753	852,948	9,461,126	13,367,110	17,856,861	10,994,991	(944,212)	2,600,000	100,000	100,000
NET CHANGES IN FUND BALANCES	(448,518)	(2,877,735)	2,214,776	5,494,046	15,151,284	4,218,582	(2,017,785)	5,326,883	4,629,475	(9,966,682)
FUND BALANCES, BEGINNING OF YEAR	12,561,207	12,112,689	9,713,473	15,593,666	20,497,612	35,831,192	40,283,983	38,266,198	43,593,081	48,222,556
Prior period adjustment	-	478,519	3,852,295	(590,100)	182,296	234,209	-	-	-	315,287
FUND BALANCES, BEGINNING OF YEAR, RESTATE	12,561,207	12,591,208	13,565,768	15,003,566	20,679,908	36,065,401	40,283,983	38,266,198	43,593,081	48,537,843
Residual equity transfer in	1,309,289	41,633	151,729	-	-	-	-	-	-	-
Residual equity transfer (out)	(1,309,289)	(41,633)	(311,706)	-	-	-	-	-	-	-
FUND BALANCES, END OF YEAR	\$ 12,112,689	\$ 9,713,473	\$ 15,620,567	\$ 20,497,612	\$ 35,831,192	\$ 40,283,983	\$ 38,266,198	\$ 43,593,081	\$ 48,222,556	\$ 38,571,161
DEBT SERVICE AS A % OF NONCAPITAL EXPENDITURES	9.5%	11.8%	12.4%	11.9%	9.4%	9.4%	11.0%	14.9%	10.9%	11.2%

\* Eight months ended December 31, 2007



## **Revenue Capacity**

CITY OF HIGHLAND PARK, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years  
(Cents per hundred dollars)

Levy Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Railroad Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Value	Annual % Change	Ratio of Total Assessed Valuation to Estimated Actual Value of Real Property
2000	1,328,590,213	143,475,204	2,127,005	1,070,829	524,343	n/a	1,475,787,594	0.812	4,427,362,782	7.4%	33%
2001	1,510,686,423	158,582,154	2,533,031	1,169,589	547,054	n/a	1,673,518,251	0.776	5,020,554,753	13.4%	33%
2002	1,579,524,820	165,789,879	2,607,170	1,207,347	649,027	n/a	1,749,778,243	0.701	5,249,334,729	4.6%	33%
2003	1,763,725,693	141,268,775	1,672,521	440,178	701,090	n/a	1,907,808,257	0.681	5,723,424,771	9.0%	33%
2004	1,889,593,213	149,974,820	1,803,869	482,657	789,193	n/a	2,042,643,752	0.640	6,127,931,256	7.1%	33%
2005	2,108,875,142	181,409,394	8,230	1,083,297	743,528	n/a	2,292,119,591	0.624	6,876,358,773	12.2%	33%
2006	2,304,476,442	203,809,524	8,984	1,172,950	934,925	n/a	2,510,402,825	0.561	7,531,208,475	9.5%	33%
2007	2,441,739,607	232,316,880	430,159	343	1,007,223	n/a	2,675,494,212	0.517	8,026,482,636	6.6%	33%
2008	2,541,673,622	237,246,008	470,017	7,820	1,082,378	n/a	2,780,479,845	0.515	8,341,439,535	3.9%	33%
2009	2,476,244,375	226,335,788	567,093	413	1,262,442	n/a	2,704,410,111	0.536	8,113,230,333	-2.7%	33%

Source: Lake County Clerk

## CITY OF HIGHLAND PARK, ILLINOIS

## PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years  
(Cents per hundred dollars)

Tax Levy Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>CITY DIRECT RATE</b>										
Bond	0.204	0.183	0.175	0.161	0.150	0.134	0.127	0.125	0.123	0.127
Corporate	0.004	-	-	-	0.056	0.059	0.054	0.051	0.051	0.055
Firefighters Pension	0.047	0.056	0.049	0.045	0.042	0.043	0.042	0.040	0.041	0.046
Library	0.190	0.175	0.176	0.165	0.168	0.156	0.147	0.140	0.139	0.144
Police Pension	0.023	0.024	0.046	0.048	0.042	0.046	0.049	0.046	0.047	0.053
Street and Bridge	0.153	0.138	0.132	0.122	0.130	0.082	0.075	0.073	0.073	0.068
Street Construction	0.055	0.048	0.038	0.035	0.036	0.041	0.038	0.042	0.041	0.043
IMRF	0.087	0.066	0.065	-	-	-	-	-	-	-
School Crossing Guard	0.007	0.006	-	-	-	-	-	-	-	-
Public Benefit	0.004	0.003	-	-	-	-	-	-	-	-
Audit	0.002	0.002	-	-	-	-	-	-	-	-
Total Direct Rate	0.776	0.701	0.681	0.576	0.624	0.561	0.532	0.517	0.515	0.536
<b>OVERLAPPING RATES</b>										
County	0.521	0.516	0.502	0.490	0.465	0.454	0.450	0.444	0.453	0.464
Forest Preserve	0.231	0.221	0.232	0.225	0.219	0.210	0.204	0.201	0.199	0.200
Township	0.051	0.048	0.050	0.048	0.047	0.045	0.044	0.044	0.045	0.047
Sanitary	0.167	0.160	0.152	0.144	0.139	0.132	0.125	0.120	0.121	0.124
College of Lake County	0.235	0.211	0.208	0.201	0.200	0.197	0.195	0.192	0.196	0.200
High School	2.060	1.957	1.908	1.825	1.758	1.686	1.635	1.619	1.660	1.748
Elementary School	2.804	2.624	2.658	2.538	2.457	2.312	2.225	2.186	2.215	2.313
Mosquito Abatement	0.012	0.012	0.012	0.012	0.012	0.012	0.012	0.011	0.011	0.012
Park District	0.376	0.355	0.359	0.433	0.422	0.397	0.378	0.377	0.380	0.394
Total Overlapping Rate	6.457	6.104	6.081	5.916	5.719	5.445	5.268	5.194	5.280	5.502
<b>TOTAL RATE</b>	<b>7.233</b>	<b>6.805</b>	<b>6.762</b>	<b>6.492</b>	<b>6.343</b>	<b>6.006</b>	<b>5.800</b>	<b>5.711</b>	<b>5.795</b>	<b>6.038</b>

## CITY OF HIGHLAND PARK, ILLINOIS

## PRINCIPAL TAXPAYERS

Current Year and Nine Years Prior

(2) Taxpayer	Business/Service	December 31, 2009	
		(1) Equalized Assessed Valuation	as a % of Total EAV
Metzler I Renaissance Place LP	Business/Retail Center	\$ 15,446,971	0.57%
Federal Realty Investment Trust	Business/Retail Center	8,361,716	0.31%
Klaimont Family Associates	Business/Retail Center	5,375,846	0.20%
Sunset Food Mart, Inc.	Retail Store	5,248,608	0.19%
Solo Cup Company	Business	4,984,335	0.18%
Highland Park Associates II LLC	Business	4,810,886	0.18%
Midwest Family Housing LLC	Real Property	4,576,804	0.17%
Americana Apartments	Real Property	4,476,037	0.17%
First Highland, LLC	Real Property	3,570,305	0.13%
Target Corporation	Retail Store	3,464,654	0.13%
RSV Partners	Real Estate	3,339,573	0.12%
LB & M Real Estate Management Inc	Business/Retail Center	3,327,557	0.12%
		<u>\$ 66,983,292</u>	<u>2.48%</u>
2009 Total EAV		\$ 2,704,410,111	
Percentage of Total			2.48%

(2) Taxpayer	Business/Service	Fiscal year end April 30, 2000	
		Equalized Assessed Valuation	as a % of Total EAV
Commonwealth Edison Co.	Utility	\$ 6,878,918	0.47%
City of Highland Park	Municipality	5,948,253	0.40%
Federal Realty Investment Trust	Business/Retail Center	5,228,432	0.35%
Americana Apartments	Real Property	4,358,718	0.30%
Dayton Hudson Corporation	Retail Store	4,131,597	0.28%
Klaimont Family Associates	Business/Retail Center	3,506,201	0.24%
Domincks	Retail Store	3,298,000	0.22%
Solo Cup Company	Business	3,066,399	0.21%
American Stores	Retail Store	2,929,850	0.20%
Toys R Us - Delaware Inc.	Retail Store	2,888,314	0.20%
Renaissance Place c/o Davis Street	Business/Retail Center	2,691,962	0.18%
Red Oaks of Highland Park	Retirement Home	2,605,210	0.18%
		<u>\$ 47,531,854</u>	<u>3.22%</u>
2000 Total EAV		\$ 1,475,787,594	
Percentage of Total			3.22%

Notes:

(1) Source: Lake County Clerk

(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 2009 EAV is the most current available for all taxpayers.



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 (1)	Total Collections	Percent of Total Collections to Tax Levy
		Fiscal Year Collected	Amount				
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%	-	12,261,276	103.23%
2001	12,091,887	2003	11,628,014	96.16%	-	11,628,014	96.16%
2002	12,310,786	2004	11,799,711	95.85%	-	11,799,711	95.85%
2003	12,582,843	2005	11,941,338	94.90%	-	11,941,338	94.90%
2004	12,746,097	2006	12,598,581	98.84%	-	12,598,581	98.84%
2005	12,858,791	2007	12,800,096	99.54%	-	12,800,096	99.54%
2006	13,355,343	2007*	13,284,616	99.47%	1,543	13,286,159	99.48%
2007	13,832,305	2008	13,733,907	99.29%	-	13,733,907	99.29%
2008	14,319,471	2009	14,257,416	99.29%	-	14,257,416	99.57%

\* Eight months ended December 31, 2007

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.

## CITY OF HIGHLAND PARK, ILLINOIS

## SALES TAX ANALYSIS BY SIC CODE

Last Ten Calendar Years

**Municipal Sales Tax**

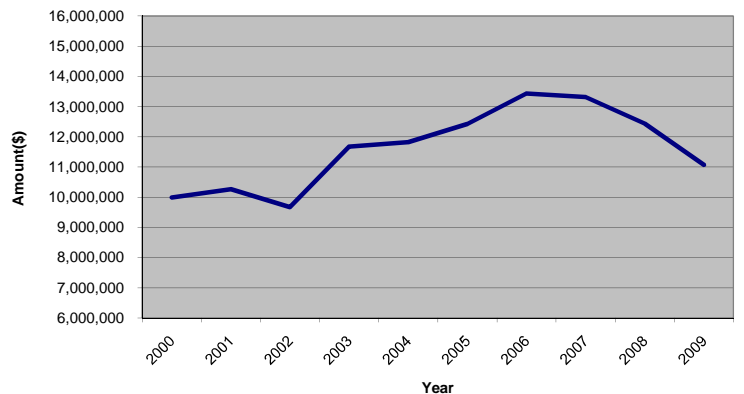
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General merchandise	319,813.57	425,279.15	449,665.88	495,645.02	483,101.68	488,887.52	561,889.62	578,850.88	519,738.54	493,421.62
Food	1,045,214.00	1,057,093.91	1,049,456.64	996,333.95	908,731.12	900,575.70	968,252.22	975,243.48	998,425.45	939,233.86
Drinking and eating places	393,596.89	438,213.34	428,680.96	443,253.30	464,391.63	483,989.43	513,234.89	536,748.62	539,963.94	508,436.53
Apparel	485,948.21	463,386.91	448,783.05	449,310.31	428,544.43	459,303.72	446,822.39	427,183.57	367,146.15	316,747.68
Furniture and HH and radio	413,226.26	397,260.15	361,498.57	280,803.36	336,237.36	421,026.36	400,070.84	306,445.48	265,038.43	219,492.58
Lumber, building, and hardware	388,495.82	392,682.99	414,207.09	420,770.86	395,287.27	428,668.18	495,305.88	457,644.14	419,233.32	324,783.76
Automotive and filling stations	3,287,445.77	3,400,502.06	2,870,392.68	2,947,007.37	2,907,331.85	3,045,355.39	3,466,798.13	3,345,996.52	2,897,031.58	2,592,225.61
Drugs and misc retail	956,981.32	986,440.34	1,000,857.24	1,031,035.81	1,043,398.73	1,084,501.52	1,136,443.88	1,192,348.19	1,204,089.29	1,129,185.59
Agriculture and all others	565,944.76	545,330.56	542,659.56	512,833.13	514,686.22	514,611.38	551,571.92	582,260.19	523,773.28	447,584.24
Manufacturers	127,566.57	119,841.36	103,825.57	118,355.31	182,909.10	196,068.11	192,174.44	209,486.51	212,642.53	170,936.37
<b>TOTAL</b>	<b>7,984,233.17</b>	<b>8,226,030.77</b>	<b>7,670,027.24</b>	<b>7,695,348.42</b>	<b>7,664,619.39</b>	<b>8,022,987.31</b>	<b>8,732,564.21</b>	<b>8,612,207.58</b>	<b>7,947,082.45</b>	<b>7,142,047.84</b>
% increase/decrease from previous year	3.48%	3.03%	-6.76%	0.33%	-0.40%	4.68%	8.84%	-1.38%	-7.72%	-10.13%

**Home Rule Sales Tax**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003*</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General merchandise	141,096.08	191,973.30	206,227.76	451,891.46	442,089.88	444,293.03	507,279.50	514,612.17	457,733.57	433,899.24
Food	121,815.34	119,120.40	124,776.93	241,057.42	229,527.48	237,389.05	300,356.54	286,502.27	275,568.13	250,607.05
Drinking and eating places	191,486.39	213,169.16	207,363.35	425,754.98	448,153.40	471,251.05	500,828.97	519,602.47	529,679.63	500,032.63
Apparel	238,848.75	227,107.09	220,713.52	448,256.13	427,557.95	459,231.92	446,779.33	426,900.16	367,145.46	316,272.72
Furniture and HH and radio	206,295.03	198,573.04	180,728.09	279,444.74	335,499.50	421,246.27	399,675.94	305,964.82	265,027.54	219,497.79
Lumber, building, and hardware	193,761.67	196,272.11	207,071.50	414,049.24	395,136.23	428,066.60	495,189.16	457,616.68	418,345.40	324,686.45
Automotive and filling stations	201,325.17	204,120.24	188,510.92	385,171.45	440,118.24	471,626.60	527,071.86	596,428.55	626,500.77	540,178.73
Drugs and misc retail	371,839.24	369,634.45	366,992.07	740,058.43	772,698.91	789,769.98	810,848.75	833,105.42	837,883.04	755,268.85
Agriculture and all others	274,553.59	260,570.32	246,684.21	482,850.94	485,600.53	487,999.61	523,550.81	555,993.49	500,027.03	421,181.33
Manufacturers	62,441.52	56,174.62	50,514.93	114,880.46	180,751.54	195,637.67	191,768.93	209,332.03	210,913.69	170,207.22
<b>TOTAL</b>	<b>2,003,462.78</b>	<b>2,036,714.73</b>	<b>1,999,583.28</b>	<b>3,983,415.25</b>	<b>4,157,133.66</b>	<b>4,406,511.78</b>	<b>4,703,349.79</b>	<b>4,706,058.06</b>	<b>4,488,824.26</b>	<b>3,931,832.01</b>
% increase/decrease from previous year	8.71%	1.66%	-1.82%	99.21%	4.36%	6.00%	6.74%	0.06%	-4.62%	-12.41%

**Total Sales Tax**

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003*</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General merchandise	460,909.65	617,252.45	655,893.64	947,536.48	925,191.56	933,180.55	1,069,169.12	1,093,463.05	977,472.11	927,320.86
Food	1,167,029.34	1,176,214.31	1,174,233.57	1,237,391.37	1,138,258.60	1,137,964.75	1,268,608.76	1,261,745.75	1,273,993.58	1,189,840.91
Drinking and eating places	585,083.28	651,382.50	636,044.31	869,008.28	912,545.03	955,240.48	1,014,063.86	1,056,351.09	1,069,643.57	1,008,469.16
Apparel	724,796.96	690,494.00	669,496.57	897,566.44	856,102.38	918,535.64	893,601.72	854,083.73	734,291.61	633,020.40
Furniture and HH and radio	619,521.29	595,833.19	542,226.66	560,248.10	671,736.86	842,272.63	799,746.78	612,410.30	530,065.97	438,990.37
Lumber, building, and hardware	582,257.49	588,955.10	621,278.59	834,820.10	790,423.50	856,734.78	990,495.04	915,260.82	837,578.72	649,470.21
Automotive and filling stations	3,488,770.94	3,604,622.30	3,058,903.60	3,332,178.82	3,347,450.09	3,516,981.99	3,993,869.99	3,942,425.07	3,523,532.35	3,132,404.34
Drugs and misc retail	1,328,820.56	1,356,074.79	1,367,849.31	1,771,094.24	1,816,097.64	1,874,271.50	1,947,292.63	2,025,453.61	2,041,972.27	1,884,454.44
Agriculture and all others	840,498.35	805,900.88	789,343.77	995,684.07	1,000,286.75	1,002,610.99	1,075,122.73	1,138,253.68	1,023,800.31	868,765.57
Manufacturers	190,008.09	176,015.98	154,340.50	233,235.77	363,660.64	391,705.78	383,943.37	418,818.54	423,556.22	341,143.59
<b>TOTAL</b>	<b>9,987,695.95</b>	<b>10,262,745.50</b>	<b>9,669,610.52</b>	<b>11,678,763.67</b>	<b>11,821,753.05</b>	<b>12,429,499.09</b>	<b>13,435,914.00</b>	<b>13,318,265.64</b>	<b>12,435,906.71</b>	<b>11,073,879.85</b>
% increase/decrease from previous year	4.49%	2.75%	-5.78%	20.78%	1.22%	5.14%	8.10%	-0.88%	-6.63%	-10.95%

**Sales Tax Breakdown 2009****Sales Tax Comparison**

Source: Illinois Department of Revenue

\* Note: Home Rule Sales Tax Rate increased from .50% to 1.00% effective January 1, 2003

CITY OF HIGHLAND PARK, ILLINOIS

SALES TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years  
(Rates shown in %)

Fiscal Year	Direct			Overlapping			Total Tax
	City Home Rule	City	Total Direct	State of Illinois	Lake County	Regional Transit Authority	
2001	0.50	1.00	1.50	5.00	0.25	0.25	7.00
2002	0.50	1.00	1.50	5.00	0.25	0.25	7.00
2003 (1)	1.00	1.00	2.00	5.00	0.25	0.25	7.50
2004	1.00	1.00	2.00	5.00	0.25	0.25	7.50
2005	1.00	1.00	2.00	5.00	0.25	0.25	7.50
2006	1.00	1.00	2.00	5.00	0.25	0.25	7.50
2007	1.00	1.00	2.00	5.00	0.25	0.25	7.50
2007*	1.00	1.00	2.00	5.00	0.25	0.25	7.50
2008	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2009	1.00	1.00	2.00	5.00	0.25	0.75	8.00

(1) Increase in home rule tax rate effective January 1, 2003

\*Eight months ended December 31, 2007



## **Debt Capacity**

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

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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
2001	30,262	\$ 1,475,787,574	\$ 29,890,000	0.0203	\$ 987.71
2002	30,262	1,673,518,251	25,815,755	0.0154	853.07
2003	30,262	1,749,778,243	30,775,635	0.0176	1,016.97
2004	30,262	1,907,808,257	35,055,000	0.0184	1,158.38
2005	30,262	2,042,643,752	38,850,000	0.0190	1,283.79
2006	30,262	2,292,119,591	46,354,216	0.0202	1,531.76
2007	30,262	2,510,402,825	43,735,538	0.0174	1,445.23
2007*	30,262	2,675,494,212	43,466,444	0.0162	1,436.34
2008	31,457	2,780,479,845	40,506,914	0.0146	1,287.69
2009	31,457	2,704,410,111	37,516,926	0.0139	1,192.64

Data Sources

(a) U.S. Census Bureau

(b) County Clerk

(c) City of Highland Park Finance Department

\*Eight months ended December 31, 2007

## CITY OF HIGHLAND PARK, ILLINOIS

## OUTSTANDING DEBT BY TYPE AND RATIO OF TOTAL DEBT

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Personal Income	Debt as a % of Total Personal Income	EAV	Debt to EAV Ratio	Estimated Population	Per Capita
	General			General								
	Obligation Bonds	Other Payable	Capital Leases	Obligation Bonds	Total Debt							
2001	\$ 18,316,480	\$ -	\$ -	\$ 11,573,520	\$ 29,890,000	\$ 1,674,426,722	1.79%	\$ 1,475,787,574	0.0203	30,262	988	
2002	15,013,477	-	-	10,615,000	25,628,477	1,674,426,722	1.53%	1,673,518,251	0.0153	30,262	847	
2003	19,625,635		-	11,150,000	30,775,635	1,674,426,722	1.84%	1,749,778,243	0.0176	30,262	1,017	
2004	24,940,000		-	10,115,000	35,055,000	1,674,426,722	2.09%	1,907,808,257	0.0184	30,262	1,158	
2005	38,850,000	1,160,000 (1)	369,779	8,926,573 (2)	49,306,352	1,674,426,722	2.94%	2,042,643,752	0.0241	30,262	1,629	
2006	46,354,216	1,160,000 (1)	238,114	7,726,778 (2)	55,479,108	1,674,426,722	3.31%	2,292,119,591	0.0242	30,262	1,833	
2007	43,735,538	-	106,459	7,134,308 (2)	50,976,305	1,674,426,722	3.04%	2,510,402,825	0.0203	30,262	1,684	
2007*	43,466,444	-	18,689	13,944,403 (2)	57,429,536	1,674,426,722	3.43%	2,675,494,212	0.0215	30,262	1,898	
2008	40,506,914	-	-	13,225,248 (2)	53,732,162	1,740,547,267	3.09%	2,780,479,845	0.0193	31,457	1,708	
2009	37,516,926	-	-	12,462,322 (2)	49,979,248	1,740,547,267	2.87%	2,704,410,111	0.0185	31,457	1,589	

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

(1) Note payable

(2) Includes unamortized bond premium/discount

\*Eight months ended December 31, 2007

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING DEBT

December 31, 2009

Governmental Unit	General Bonded Debt	Percentage Debt Applicable to the City of Highland Park (1)	City of Highland Park Share of Debt
City of Highland Park	\$ 37,516,926	100.00%	\$ 37,516,926
Lake County	36,770,000	10.04%	3,691,708
Lake County Forest Preserve District	266,575,000	10.04%	26,764,130
North Shore Sanitary District	4,789,471	26.88%	1,287,410
Deerfield Park District	3,530,000	0.005%	177
Park District of Highland Park	1,300,000	98.68%	1,282,840
School Districts			
District No. 106	-	3.50%	-
District No. 109	14,640,000	4.72%	691,008
District No. 112	25,165,000	94.17%	23,697,881
District No. 113 (2)	57,465,000	57.36%	32,961,924
College of Lake County	8,210,000	9.59%	787,339
	<u>418,444,471</u>		<u>91,164,417</u>
	<u>\$ 455,961,397</u>		<u>\$ 128,681,343</u>

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

(2) Balance per School District No. 113 June 30, 2009 CAFR

Data Source

Lake County Clerk's office, phone survey

CITY OF HIGHLAND PARK, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2009

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





## **Demographic and Economic Information**

## 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	(4) Total Personal Income	(1) Median Age	(1) College Degree
2001	30,262	\$ 55,331	6,034	2.4%	1,674,426,722	36.1	61.6%
2002	30,262	55,331	6,034	3.3%	1,674,426,722	40.6	61.6%
2003	30,262	55,331	6,198	3.5%	1,674,426,722	40.6	61.6%
2004	30,262	55,331	6,304	3.9%	1,674,426,722	40.6	61.6%
2005	30,262	55,331	6,270	3.2%	1,674,426,722	40.6	61.6%
2006	30,262	55,331	6,256	3.9%	1,674,426,722	40.6	61.6%
2007	30,262	55,331	6,256	2.9%	1,674,426,722	40.6	61.6%
2007*	30,262	55,331	6,212	3.3%	1,674,426,722	40.6	61.6%
2008	31,457	55,331	6,259	4.4%	1,740,547,267	40.6	61.6%
2009	31,457	55,331	6,091	6.9%	1,740,547,267	40.6	61.6%

## Notes:

- (1) U.S. Census Bureau
- (2) Highland Park School Districts
- (3) Illinois Department of Employment Security
- (4) Population times Per Capita Income

\*Eight months ended December 31, 2007

## CITY OF HIGHLAND PARK, ILLINOIS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

Employer	2009	
	Employees	Percentage of Total Municipal Employment
Highland Park Hospital	1,200	7.15%
School District 112	740 (1)	4.41%
Ravinia Festival	690	4.11%
Northern Suburban Special Education District	506	3.01%
School District 113	398 (1)	2.37%
City of Highland Park	294 (1)	1.75%
The Picus Cos	100	0.60%
Highland Park Public Library	97 (1)	0.58%
Highland Park Post Office	85	0.51%
	<u>4,110</u>	<u>24.49%</u>
Employer	2000	
	Employees	Percentage of Total Municipal Employment
Highland Park Hospital	1,200	7.02%
Solo Cup Co	600	3.51%
Ravinia Festival	550	3.22%
School District 112	500	2.92%
Sunset Food Mart	350	2.05%
Opportunity Inc.	100 (1)	0.58%
Bank One. N.A	70	0.41%
Mesirow Financial	70	0.41%
Mutual Building Materials	70	0.41%
Columbia Audio/Video	65	0.38%
Highland Park Library	65	0.38%
Highland Park Lincoln Mercury Inc	65	0.38%
	<u>3,705</u>	<u>21.67%</u>

Note: (1) Includes full-time and seasonal employees

Data Source

2010/2000 IL Manufacturers Directory, 2010/2000 IL Services Directory, City records



## **Operating Information**

CITY OF HIGHLAND PARK, ILLINOIS

OPERATING INFORMATION AND INDICATORS

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2007*	2008	2009
<b>FIRE PROTECTION</b>										
Emergency responses	4,699	4,449	4,464	4,439	4,432	4,419	3,098	1,764	4,673	4,542
Fires extinguished	64	40	50	32	42	24	26	29	34	25
<b>PUBLIC WORKS</b>										
Asphalt placed (square yards)	1,038	1,010	880	951	1,467	1,996	1,500	2,608	1,963	3,438
Crack sealing (street miles)	12	12	21	-	5	-	5	7	5	-
Street-sweeping (hours)	n/a	790	1,113	1,061	1,664	1,894	2,000	1,650	2,109	1,802
Number of mainbreaks repaired	89	71	89	61	104	99	75	39	64	59
<b>POLICE PROTECTION</b>										
Parking violations	n/a	n/a	6,562	11,448	15,345	14,059	13,894	8,403	12,643	12,173
Number of arrests	1,069	1,274	1,298	1,152	1,117	1,258	1,369	509	1,139	1,470
Number of traffic citations	6420	6,925	7,876	6,886	6,867	7,331	7,098	2,589	9,442	5,430
<b>FINANCE</b>										
Number of water bills	41,568	41,568	41,568	41,568	41,568	41,016	41,016	25,973	41,267	41,634
Number of vendor checks	7,736	7,049	7,085	7,500	7,645	7,697	7,700	5,087	6,809	6,256
<b>MUNICIPAL WATER SYSTEM</b>										
Number of customers	10,392	10,392	10,392	10,392	10,392	10,254	10,254	10,254	10,300	10,300
Average daily consumption (gallons)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	11,856,000	11,856,000	11,856,000	9,618,000	9,194,000
Plant capacity (rated) - per day (gallons)	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Miles of water mains (approximate)	150	150	150	150	150	168	168	168	168	168
Number of fire hydrants (approximate)	1,900	1,650	1,650	1,650	1,650	1,680	1,680	1,680	1,680	1,680

Data Source

U.S. Census Bureau and City records

\*Eight months ended December 31, 2007

## CITY OF HIGHLAND PARK, ILLINOIS

## CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2007*	2008	2009
AREA - SQUARE MILES	12	12	12	12	12	12	12	12	12	12
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire engines	3	3	3	3	3	3	3	3	3	3
Ambulances	3	3	3	3	3	3	3	3	3	3
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	14	14	14	14	14	14	14	14
PUBLIC WORKS										
Miles of water mains (approximate)	150	150	150	150	150	168	168	168	168	168
Number of fire hydrants (approximate)	1,900	1,650	1,650	1,650	1,650	1,680	1,680	1,680	1,680	1,680
Miles of storm sewer (approximate)	150	150	150	150	150	178	178	178	178	178
Number of street lights (approximate)	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420	1,420
Miles of sanitary sewer (approximate)	117	117	117	117	117	130	130	130	130	130
MILES OF STREET										
Paved	154	154	154	154	154	154	154	154	154	154
Graded	2	2	2	2	2	2	2	2	2	2
TOTAL	156	156	156	156	156	156	156	156	156	156

Data Source

U.S. Census Bureau and City records

\* Eight months ended December 31, 2007

CITY OF HIGHLAND PARK, ILLINOIS  
FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

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	2001	2002	2003	2004	2005	2006	2007	2007*	2008	2009
GENERAL GOVERNMENT	20.25	20.25	21.25	20.40	24.40	24.40	22.50	23.25	23.25	24.00
COMMUNITY DEVELOPMENT	27.50	26.50	27.75	28.25	29.25	29.75	29.75	29.50	29.50	28.10
FINANCE	15.50	15.50	15.50	17.50	14.00	13.50	13.50	13.50	13.50	13.50
FIRE										
Firefighters and officers	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00
Civilians	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
POLICE										
Sworn personnel	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
Civilians	28.75	32.75	33.75	33.75	33.75	33.75	33.75	30.25	30.25	28.00
PUBLIC WORKS										
Maintenance workers	62.75	62.75	68.25	68.75	68.75	69.25	67.75	66.25	66.25	65.25
Engineering	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Administration	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00

Data Source

City budgets

\* Eight months ended December 31, 2007