

City of Prospect Heights, Illinois

Comprehensive Annual Financial Report

Year End April 30, 2015



Prepared By:
The Finance Department

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF PROSPECT HEIGHTS, ILLINOIS**
As of and for the Year Ended April 30, 2015

Prepared by:

Finance Department

CITY OF PROSPECT HEIGHTS

TABLE OF CONTENTS As of and for the Year Ended April 30, 2015

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - viii
Organizational Chart	ix
Certificate of Achievement for Excellence in Financial Reporting	x
List of Elected and Appointed Officials	xi
FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	1 - 3
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
<i>Management's Discussion and Analysis</i>	4 - 16
<i>BASIC FINANCIAL STATEMENTS</i>	
Government-Wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18 - 19
Fund Financial Statements	
Balance Sheet - Governmental Funds	20 - 21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23 - 24
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28 - 29
Statement of Fiduciary Net Position - Fiduciary Funds	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	31
Index to Notes to Financial Statements	32
Notes to Financial Statements	33 - 78
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
<i>General Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	79

CITY OF PROSPECT HEIGHTS

TABLE OF CONTENTS (cont.)
As of and for the Year Ended April 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION (cont.)

Special Revenue Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Service Area #8 - Major Special Revenue Fund	80
---	----

Historical Pension and Other Postemployment Benefit Information

Illinois Municipal Retirement Fund - Schedule of Employer's Contributions and Schedule of Funding Progress	81
Police Pension Fund - Schedule of Employer's Contributions and Schedule of Funding Progress	82
Police Pension Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	83
Police Pension Fund - Schedule of Employer Contributions	84
Police Pension Fund - Schedule of Investment Returns	85
Other Postemployment Benefit Plan - Schedule of Employer Contributions and Schedule of Funding Progress	86
Notes to Required Supplementary Information	87

SUPPLEMENTARY INFORMATION

General Fund

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual - General	88
Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual - General	89 - 90

Governmental Funds

Combining Balance Sheet - Nonmajor Governmental Funds	91 - 92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	93 - 94
Schedules of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Budget and Actual	
Motor Fuel Tax - Nonmajor Special Revenue Fund	95
Tourism - Nonmajor Special Revenue Fund	96
DEA Seizure - Nonmajor Special Revenue Fund	97
SWANCC - Nonmajor Special Revenue Fund	98
Special Service Area #1 - Nonmajor Special Revenue Fund	99
Special Service Area #2 - Nonmajor Special Revenue Fund	100
Special Service Area #3 - Nonmajor Special Revenue Fund	101

CITY OF PROSPECT HEIGHTS

TABLE OF CONTENTS (cont.)
As of and for the Year Ended April 30, 2015

SUPPLEMENTARY INFORMATION (cont.)

Special Service Area #4 - Nonmajor Special Revenue Fund	102
Special Service Area #5 - Nonmajor Special Revenue Fund	103
Special Service Area #6 Debt - Nonmajor Debt Service Fund	104
Special Service Area #6 Construction - Nonmajor Capital Projects Fund	105
Road Construction - Major Capital Projects Fund	109
Palatine/Milwaukee TIF - Major Debt Service Fund	107
Road Construction Debt - Major Debt Service Fund	108
Development - Major Capital Projects Fund	109
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual	
Water - Major Enterprise Fund	110 - 111
Parking - Major Enterprise Fund	112
Statement of Changes in Fiduciary Net Position - Budget and Actual	
Police - Pension Trust Fund	113
Palatine/Milwaukee TIF Loan of 2004	114
General Obligation Debt Certificates Series 2008	115
Special Service Area # 6 Bonds Series 2009	116
General Obligation Debt Certificates Series 2010	117
General Obligation Debt Certificates Series 2011A	118
Taxable Refunding Debt Certificates Series 2011B	119
General Obligation Debt Certificates Series 2012	120
General Obligation Debt Certificates Series 2013	121

STATISTICAL SECTION

Schedule of Net Position - Last Ten Fiscal Years	122
Schedule of Changes in Net Position - Last Ten Fiscal Years	123 - 124
Program Revenues by Function/Program - Last Ten Fiscal Years	125
Fund Balances - Governmental Funds - Last Ten Fiscal Years	126
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	127 - 128
Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years	129
Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years	130
Direct and Overlapping Property Tax Rates - Last Ten Levy Years	131 - 132

CITY OF PROSPECT HEIGHTS

TABLE OF CONTENTS (cont.)
As of and for the Year Ended April 30, 2015

STATISTICAL SECTION (cont.)

Principal Property Tax Payers - Current Year and Nine Years Ago	133
Sales Tax by Category - Last Ten Calendar Years	134
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	135
Property Tax Levies and Collections - Last Ten Tax Levy Years	136
Property Tax Levies and Collections by Taxing Area - Last Ten Tax Levy Years	137
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	138
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	139
Direct and Overlapping Governmental Activities Debt	140
Legal Debt Margin Information - Last Ten Fiscal Years	141
Pledged Revenue Coverage - Last Ten Fiscal Years	142
Demographic and Economic Statistics - Last Ten Calendar Years	143
Principal Employers - Current Year and Nine Years Ago	144
Full-time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	145
Operating Indicators by Function/Program - Last Ten Fiscal Years	146 - 147
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	148



December 9, 2014

Mayor, Members of the City Council and
Citizens of the City of Prospect Heights

The Comprehensive Annual Financial Report (CAFR) of the City of Prospect Heights (City) for the year ended April 30, 2014 is hereby submitted as required by the Illinois Compiled Statutes. State law requires that the City issue annually a report on its financial position and activity that is audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the City of Prospect Heights. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City 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 of Prospect Heights' financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Prospect Heights for the fiscal year ended April 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended April 30, 2014 are fairly presented in conformity with GAAP. The independent auditors' report, located on pages 1-2, is presented as the first component of the financial section of this report.

GAAP requires that management provide a "Management's Discussion and Analysis" (MD&A) narrative providing an introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Prospect Heights

The City of Prospect Heights is located approximately 26 miles northwest of the City of Chicago in Cook County, Illinois. Originally settled by dairy farmers in the 1830s, the area experienced a boom in residential growth following the end of World War II and was incorporated as a City on January 31, 1976. The City has a population of 16,256 (2010 Census) and encompasses an area of approximately 4.5 square miles. It is a non-home rule community, as defined by the Illinois Constitution. The City is an established, primarily residential community best known for single-family homes on large lots, a minimum of half-acre in size. In addition, it offers condominium and apartment housing in a breadth of price ranges.

The City operates under the Council/Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and five Aldermen. Some of the City Council's more significant responsibilities include adopting the budget; passing ordinances; appointing members to Boards, Committees, and Commissions; and hiring the City Administrator and City Attorney. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing day-to-day operations of the City, and for appointing employees, including the City's department heads. The Mayor, City Clerk, and City Treasurer are elected from the population at-large to four-year terms. Aldermen are elected from five wards on the basis of ward representation and serve four-year terms.

The City provides a full range of services including police protection; planning and zoning; maintenance of streets and infrastructure; sanitary and storm sewer maintenance; water distribution to selected areas of the community; maintenance of a commuter parking lot; and general administrative services.

Local Economy: There are a number of factors that influence the economy of a specific community and various measures are used to gauge the economic outlook. Perhaps four of the most objective measures are the level of retail sales, the employment level of the community, income levels in the community, and building activity. In Illinois, sales taxes are allocated based upon the point-of-sale, and, accordingly, represent the sales in the community. Total sales tax receipts for the calendar year ended December 31, 2013 were \$753,394 compared to \$711,434 for the previous year, an increase of 5.9%. Since the City's portion of sales tax receipts is based on a 1% tax rate, these receipts represent total retail sales of approximately \$75.33 million for 2013. After last calendar year's decline, sales tax receipts appear to be increasing. During the period of decline, the City established an Economic/Business Development Committee whose mission is to promote and foster business and economic development in the community. The efforts have proved to be beneficial.

The City of Prospect Heights' average unemployment rate for calendar year 2013 was 7.7%, which was 13.49% lower than the 8.9% average rate for the state. The City of Prospect Heights had a median family income of \$61,500, as of the 2008 -2012 Census, which was 8.2% higher than the State of Illinois average and 15.9% greater than the national average.

For fiscal year 2014, the City issued 350 construction permits (residential and commercial) valued at \$6.8 million, as compared to 351 permits the previous year with a value of \$11.6 million. The City is an established community with limited available open space for either residential or commercial development. Historically, residential permit activity has focused on remodeling or the tear-down and reconstruction of existing homes, which has declined considerably due to the current economic environment. Commercial permit activity has been limited to redevelopment of existing business locations, with the occasional development of vacant land. Areas that are targeted for development or redevelopment within the next year include the Prospect Crossing Shopping Center, Players OTB expansion and a potential assisted living facility, which will provide a one-time increase in permit fees and additional growth in sales tax revenue.

Financial Planning: The City's continued process of Strategic Financial Planning has ensured the long-term viability of the City, its services, capital assets, and infrastructure. The process has been in place to maintain the desirability of the community; with the long-term goal being to retain or increase its population and attract new businesses. The three main categories addressed as part of the planning process included the need to stabilize the operating budget through a combination of increased revenues and reduced or stabilized expenditures; reduction in outstanding debt; and assessment and development of a capital replacement program.

The City's primary focus has been on stabilizing its operating budget. On the revenue side, the City has implemented fee increases, instituted a Places for Eating tax, increased enforcement and collection of existing revenues, and researched and compiled a database of revenue streams available to or in use by non-home rule municipalities in Illinois. On the expense side, personnel costs represent the single largest operating expense. In FY2014, the City added one new police officer. The City continues to utilize outside contractors for engineering and inspection services.

The last component of the plan is to develop a capital asset and infrastructure replacement program. The City recognizes the importance of this plan, especially the need to replace its deteriorating streets. In 2008, the City did complete an assessment of its streets, their condition, and projected replacement cost. On November 2, 2010, the City Council asked for and received approval from the voters to issue \$15 million in general obligation bonds to provide funding to reconstruct its streets; as well as, complete other capital and infrastructure improvements. Phase I of the project was completed in FY2012, Phase II was completed in FY2013, and Phase III was completed in FY2014.

Major Initiatives

Following directives of the City Council and City Administrator, staff was involved in a variety of projects throughout the year. During fiscal year 2014, the City's resources were focused on these major priorities, with specific accomplishments:

- 1) Maintaining operational efficiency and current service levels
 - a) Updated the City website to effectively communicate with our residents, organize the information in a systematic, user-friendly and more professional format, improve site-map and navigation and make the website more attractive.

- b) Utilized a Water Rate Study by Baxter Woodman to provide the City guidance as to determining rates which best support the current expenditures and capital reserve requirements.
 - c) Obtained Tree City USA designation for the 16th consecutive year and the Tree City USA Growth Award for the 15th consecutive year.
 - d) Completed negotiations with Union Local 150 and the Metropolitan Police Alliance (MAP) to provide pay raises.
 - e) Negotiated a new agreement with Wheeling for cost sharing of sales tax revenues.
 - f) Restored fully staffed Police Department.
 - g) Hired a new Police Officer, Administrative Assistant, and Building and Zoning Administrator.
 - h) Continued the Citizen's Police Academy (CPA) program where citizens can volunteer and receive training to work at the front desk of the Police Department.
 - i) Added modules to the accounting software allowing the City to automate its cash receipting procedures, water billing, journal entries, reporting and thus improving internal controls.
 - j) Upgraded our water billing system by utilizing postcards and a bar scanning system providing the City with postage, employee time and supply savings.
 - k) Encouraged on-line payments through Payment Service Network, Inc. which now allows the City to accept payments for water bills, vehicle stickers, ordinance violations, parking fines, pet licenses, red light violations, rental inspections, amusement tax, hotel taxes and places for eating tax.
 - l) Maintained an electronic recycling facility in the City to assist residents in the disposal of electronic waste. Effective on January 1, 2012, the Electronic Products Recycling and Reuse Act made it unlawful for anyone to dispose of specific electronic materials in a sanitary landfill.
 - m) The first Emergency Operations Plan (EOP) for the City is under review by Cook County and is to be approved by 2015.
 - n) Updated the City's Snow Operations and Emergency plans, provided training and upgrading of vehicles for winter which proved beneficial during one of the roughest winters.
 - o) Awarded a DECO Lighting Grant which paid for conversion, replacement, and installation of upgraded LED based light.
- 2) Capital and infrastructure improvements
- a) Acquired two new police cars upgrading existing inventory.
 - b) Added new security cameras for one for the Metra station and five for the east side of City to monitor activity. The City received a grant from Commuter Rail Division of the RTA to reimburse the City for the camera.
 - c) Completed work on Phase III of a three phase Road Construction project. The City completed nine miles of repaving and replacing of more than 124 streets.
 - d) Purchased three new dump trucks for street maintenance and snow plowing efforts.
 - e) Continued the upgrading of department computers and software.
 - f) Commissioned an architectural firm to prepare a beautification plan for the tourism district.
 - g) Participated in the Safe Routes to School program and completed work on a Willow Road sidewalk allowing students to walk to school safely.
 - h) Submitted grant applications for the Wheeling Road sidewalk extension from Russet Woods to Schoenbeck Road.

- i) Reviewed flood fighting plans for Levee 37 as requested by the IDNR with Mount Prospect after the DesPlaines River reached record highs.
 - j) Received grant funds of \$325,000 approved in 2008 from the Illinois Department of Commerce and Economic Opportunity and the Governor's Office of Management and Budget for capital road improvements.
 - k) Received confirmation that the Willow Road flood mitigation project will be part of the Phase II Stormwater Management Program of the MWRDGC.
- 3) Promote Commercial and/or Retail Development
- a) Began the process to update the Comprehensive Plan after receiving a CMAP grant to cover the cost. The consulting group selected has a staff that includes planners, engineers, transportation experts and economic and development planners. The new plan based upon community input through public workshops and community meetings will be up for approval in FY2014/15.
 - b) Established a beautification program for the Tourism Zone to enhance the area to encourage and promote hospitality-related businesses and provided additional police protection to the area, thereby increasing hotel and sales tax revenues.
 - c) Opened several new businesses:
 - i) Ultra Foods, a 87,000-square-foot store, anchors the Prospect Crossing shopping center
 - ii) Hardees opened in old Burger King location bringing over 40 new jobs to the area
 - iii) Hot Breads, a unique bakery and cafe, started in Southern India
 - iv) Hawthorne CEA Hanger/Terminal by the Sovereign Group, the City's first FBO at the Chicago Executive Airport
 - v) Village Bank opened a second location in Prospect Heights
 - d) Continued working with owners of local shopping center to bring new businesses/retailers to the vacant storefronts in the shopping center.
- 4) Service initiatives, both internal and external
- a) Continued participation in and worked jointly with federal and other local governments on the construction of Levee 37 for flood management of the Des Plaines River along Milwaukee Avenue and River Road. Final completion of this project is pending completion of the required compensatory storage upstream.
 - b) Reviewed all tax levy amounts for Special Service Areas 1 to 5 and 8 and established amounts which were more in-line with expenses and assisted in the payment of amounts owed to the General Fund.
 - c) Continued operating the Police Department offices seven days a week.
 - d) Continued waste recycling programs for compact fluorescent light bulbs, pharmaceuticals, and sharps disposal.
 - e) Continued Photo Enforcement (Red Speed) Traffic Camera implementation at Palatine Road and Milwaukee Avenue to improve safety at the intersection.
 - f) Continued in-house adjudication process for municipal violations and photo enforcement citations.
 - g) Increased web-based payment options through a new vendor PSN.
 - h) Completed annual reporting requirements with IEPA for National Pollutant Discharge Elimination System (NPDES) permit and Community Rating System (CRS) programs.
 - i) Conducted televising of the sewer lines to assess the condition of the lines, reveal blockages, and show cracks or deterioration of pipes.

- j) Continued the Government in Education Program in conjunction with Betsy Ross Elementary School and Omni Youth Services, which provides students insight into the inner workings of government by conducting mock Council Meetings.
- 5) Improve financial reporting and oversight
- a) Upgraded modules in the accounting system streamlining the accounts receivable, accounts payable, vehicle sticker, water billing, and reporting processes.
 - b) Followed the newly implemented GASB 54 Policy – A Fund Balance Policy intended to provide guidelines to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. Adjustments to fund balance reserve requirements were not required.
 - c) Awarded, for the Fiscal Year 2013 Comprehensive Annual Financial Report (CAFR), the Government Finance Officers Association’s Certificate of Achievement for Excellence in Financial Reporting. Further information regarding this award is provided under the *Awards* section later in this transmittal letter.
 - d) Approved the budget for fiscal year ending April 30, 2015 by the City Council and filed with the Cook County Clerk’s office on during the required time period.
 - e) Renegotiated successfully with ComEd to maintain the reduction in the commuter parking lot lease.
 - f) Continued regular budgetary reviews to provide improved monitoring of the City’s financial position.
 - g) Implemented improved accounting procedures relative to purchasing, payroll, water billing and collections, accounts payable processing and approval, and cash receipts processing.
 - h) Complied with annual filing requirements under the Cook County Board of Commissioners Debt Disclosure Ordinance.
 - i) Complied with annual Continuing Disclosure Requirements under SEC Rule 15c2-12 for all applicable outstanding City debt issues.
- 6) Seek out funding sources for operations and capital improvements
- a) Applied for and received the following grants during the fiscal year: Victims of Criminal Abuse (VOCA) grant, Ballistic Vest Grant, Tobacco Enforcement grant, Illinois Department of Transportation (STEP) grant related to funding expenses related to seatbelt and intoxicated motorist related violations, Transportation Enhancement Grant (ITEP) related to a new 1,622 foot Willow Road sidewalk that will link outlet sidewalks ultimately creating a fluid, connecting sidewalk system, DECO Lighting Grant, Department of Commerce and Economic Opportunity (DCEO) Stimulus Funding for capital projects, Northwest Municipal Conference (NWMC) Surface Transportation Program (STP) grant, and a new “Safe Routes to School” grant of \$200,000 to assist in funding construction of sidewalks to three local area schools.
 - b) Continued assignment of a police officer to Drug Enforcement Agency (DEA) Task Force. This assignment provides better safety service locally and regionally and provides the opportunity for the City to share in seizure proceeds. These proceeds, when received, are restricted in use for public safety.
 - c) Continued collection program of unpaid parking tickets and photo enforcement citations, utilizing an outside collection agency. Approval for utilizing the Illinois Debt Recovery program was obtained and will begin May, 2014.
 - d) Utilized the Illinois Metropolitan Investment Fund (IMET) which assisted the City in increasing rates of return on investments by 240%.

Population Projections: As reported in the 2010 Census, the City had a population of 16,256, which reflected a decrease of 4.8%, or 825 people, as compared to the 2000 Census. This decline in population will reduce several of the City's primary revenue streams, such as income tax, local use tax, and motor fuel tax allocation that are relied upon to support basic City services.

Awards:

- a) The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Prospect Heights for its comprehensive annual financial report for the year ended April 30, 2013. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the finance department, as well as the police, building and zoning, public works, engineering, and water departments that provided required operational and capital assets data for the statistical section. The members of these departments have our sincere appreciation for the contributions made in preparation of this report.

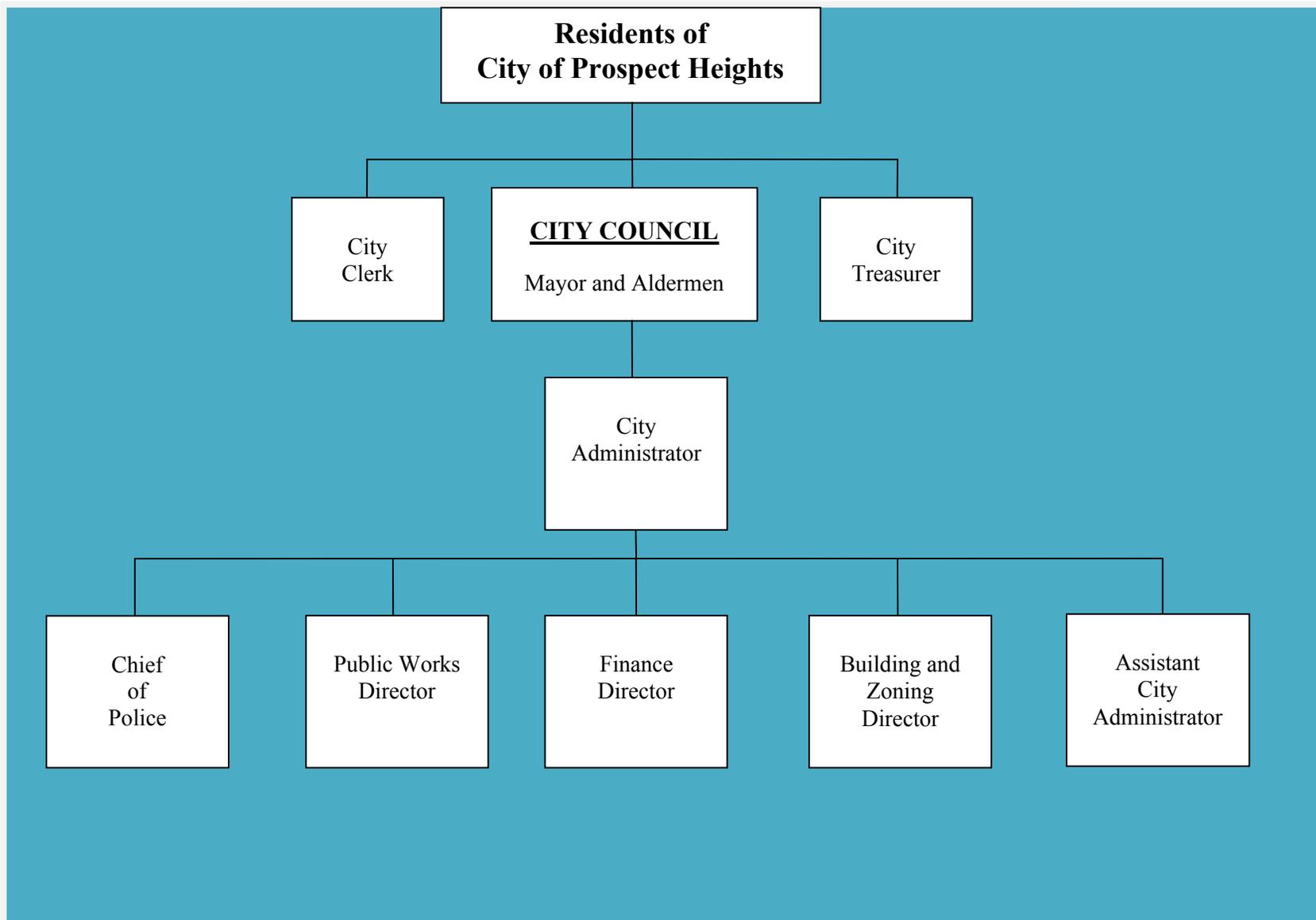
In closing, without the leadership and support of the Mayor and City Council, the preparation of this report would not have been possible.

Sincerely,



Stephanie Hannon
Finance Director

CITY OF PROSPECT HEIGHTS, ILLINOIS
Organizational Chart
April 30, 2015





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Prospect Heights
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2014

Executive Director/CEO

CITY OF PROSPECT HEIGHTS, ILLINOIS

PRINCIPAL OFFICIALS

APRIL 30, 2015

CITY COUNCIL

Nicholas J. Helmer, Mayor

Bree Higgins, Alderman

John Styler, Alderman

Patrick Ludvigsen, Alderman

Scott Williamson, Alderman

Luis Mendez, Alderman

Stacy Adamson, City Clerk

Richard Tibbits, City Treasurer

ADMINISTRATION

William Balling, Interim City Administrator

Chief of Police James Dunne

Building and Zoning Director Stephen Skiber

Finance Director Stephanie Hannon

Public Works Director Steve Cutaia

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
City of Prospect Heights
Prospect Heights, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Prospect Heights, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Prospect Heights' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Chicago Executive Airport, in which the City of Prospect Heights has an equity interest, representing 45 percent and 62 percent, respectively, of the assets and net position of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chicago Executive Airport, in which the City of Prospect Heights has an equity interest, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Honorable Mayor and Members of City Council
City of Prospect Heights

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Prospect Heights, Illinois, as of April 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the City of Prospect Heights adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, effective May 1, 2014. Our opinions are not modified with respect to this matter.

As discussed in Note III to the financial statements, net position as of April 30, 2014 has been restated to correct a material misstatement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Prospect Heights' basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information as listed in the table of contents is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of City Council
City of Prospect Heights

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Prospect Heights' basic financial statements. The introductory section and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Vichow Krause, LLP

Oak Brook, Illinois
October 26, 2015

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

The City of Prospect Heights (the "City") Management's Discussion and Analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter, which can be found in the Introductory Section, and the City's financial statements and footnotes, immediately following this MD&A.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City's financial statements present two kinds of statements, each with a different snapshot of the City's finances. The financial statements' focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government), and enhance the City's accountability.

Government-Wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial condition. Financial reporting at this level uses accounting similar to full accrual accounting such as in the private sector. Interfund activity is eliminated, the cost of assets with a long service life is spread out over future years, so that capital expenditures are amortized through depreciation when the benefits are realized, and long-term debt is reported.

The first government-wide statement is the statement of net position that presents information about all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the differences reported as net position. Over a multiyear period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the City. Additionally, one would need to evaluate nonfinancial factors, such as the condition of the City's infrastructure, the satisfaction of the constituents, and other information beyond the scope of this report to make a more complete assessment of whether the City as a whole has improved.

The second government-wide statement is the statement of activities, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The City of Prospect Heights' governmental activities include general government, public safety, and public works. The business-type activities include the Water Fund and the Parking Fund. The City corrected an error and now includes the Chicago Executive Airport as a governmental activities asset. In prior years, it was included as a separate propriety fund. The Police Pension Plan fiduciary activity is not available to fund City programs, and, therefore, is not included in the government-wide statements but is presented in this document at the end of the fund financial statements.

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

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 local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Unlike the government-wide financial statements, governmental fund financial information focuses on the near-term flow of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliation, on the page following each statement, to facilitate the comparison between governmental funds and governmental activities. *The basic governmental funds financial statements can be found beginning on page 20 of this report.*

The City of Prospect Heights has 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances (deficit) for the General, Special Service Area #8, Palatine/Milwaukee TIF, Road Construction Debt, Road Construction, and Development funds because they are major funds, either by definition or through designation by the City. Major funds are defined as those governmental or enterprise funds whose total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses are at least 10% of the totals for all funds of that category (governmental or enterprise) and at least 5% of the combined totals for governmental and enterprise funds. The remaining eleven funds' data is combined into a single column labeled "nonmajor governmental funds." *Individual fund data for these nonmajor governmental funds is presented beginning on page 91 of this report.*

Proprietary Funds

There are two categories of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has two enterprise funds, the Water Fund and the Parking Fund. The City included the Airport Fund as separate propriety fund in prior years, the City has corrected an error and now includes the Chicago Executive Airport as an asset in governmental activities. *Financial activity of the City's enterprise funds is shown in more detail than the government-wide financial statements and can be found beginning on page 26 of this report.*

Fiduciary Funds

The Police Pension Fund is the City's only fiduciary fund. This fiduciary fund is not reflected in the government-wide financial statements because its resources are not available to support the City's programs, but are used to account for resources held for the benefit of the eligible police officers. The accounting used for fiduciary funds is similar to that used for proprietary funds. *The Police Pension fund financial statements can be found beginning on page 30 of this report.*

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and the fund financial statements. *The notes are preceded by an index which begins on page 32 of this report.*

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's funding of pension and other postemployment benefit obligations to its employees and budget information. *Required supplementary information can be found beginning on page 79 of this report.*

Infrastructure Assets

A government's largest group of assets is typically its infrastructure (i.e. roads, bridges, storm sewers, etc.). A government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City of Prospect Heights has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance, whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The City's net position as of April 30, 2015 was \$79,099,124, which represents an increase of \$1,844,341 as compared to April 30, 2014. The City's net position from governmental activities increased by \$1,878,556 and net position from business-type activities decreased by \$34,215 based upon restated FY2014 balances. Table 1 below presents a summary of governmental and business-type net position as of April 30, 2015 compared to April 30, 2014. *More detailed information can be found in the Statement of Net Position on page 17.*

Table 1: Comparative Summary Statements of Net Position as of April 30, 2015 and 2014

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 68,827,135	\$ 70,441,336	\$ 1,445,841	\$ 1,354,944	\$ 70,272,976	\$ 71,796,280
Capital assets	32,975,999	31,563,755	4,331,285	4,481,254	37,307,284	36,045,009
Total Assets	<u>101,803,134</u>	<u>102,005,091</u>	<u>5,777,126</u>	<u>5,836,198</u>	<u>107,580,260</u>	<u>107,841,289</u>
Deferred outflows of resources	<u>105,317</u>	<u>114,093</u>	-	-	<u>105,317</u>	<u>114,093</u>
Liabilities						
Current liabilities	1,291,457	1,171,190	113,427	36,493	1,404,884	1,207,683
Noncurrent liabilities	25,309,187	27,455,619	565,000	666,791	25,874,187	28,122,410
Total Liabilities	<u>26,600,644</u>	<u>28,626,809</u>	<u>678,427</u>	<u>703,284</u>	<u>27,279,071</u>	<u>29,330,093</u>
Deferred inflows of resources	<u>1,307,382</u>	<u>1,370,506</u>	-	-	<u>1,307,382</u>	<u>1,370,506</u>
Net Position						
Net investment in capital assets	16,150,710	14,535,816	3,716,285	3,816,254	19,866,995	18,352,070
Restricted net position	3,764,297	4,916,572	-	-	3,764,297	4,916,572
Unrestricted net position	54,085,418	52,669,481	1,382,414	1,316,660	55,467,832	53,986,141
Total Net Position	<u>\$ 74,000,425</u>	<u>\$ 72,121,869</u>	<u>\$ 5,098,699</u>	<u>\$ 5,132,914</u>	<u>\$ 79,099,124</u>	<u>\$ 77,254,783</u>

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

Normal Impacts on Net Position

Prior to discussing the current year's impacts on net position, it is helpful to first understand how six basic (normal) transactions impact the statement of net position and the three categories under net position.

Net results of activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – will reduce capital assets and net investment in capital assets.

Current Year Impacts on Net Position

Governmental Activities

For fiscal year 2015, governmental activities net position totaled \$74,000,425 reflecting an increase of \$1,878,556 over the prior fiscal year. Governmental activities total assets decreased \$201,957, and governmental activities total liabilities decreased \$2,026,165.

The \$201,957 decrease in total assets resulted from a \$1,614,201 decrease in current and other assets and a \$1,412,244 increase in capital assets. The increase in capital assets reflects the addition of the road and drainage improvements being initiated through the road program. Changes in the remaining items within current and other assets include a \$847,500 decrease in the assets held for resale related to the sale by the City of a building, a decrease in cash and investments of \$145,949 which reflects cash received from the sale of the property offset by payments for the road program and debt related to the sold property, a \$360,206 decrease in investment in joint venture – airport is primarily due to assets being moved from improvements in progress, a non-depreciating category, to infrastructure and airport improvements which are depreciable, a \$261,884 decrease in all other current assets, offset by a \$1,341 increase in prepaid items.

Most of the governmental funds experienced increases in their cash position as a result of budget surpluses. Notable exceptions include the Palatine/Milwaukee TIF, Tourism District, SSA #1, SSA #3, SSA #4, SSA #5, SSA #6 Construction Fund and the Road Construction Fund, which experienced decreases in their cash position. The General fund, which provides the majority of City services, experienced a \$1,363,515 increase in its cash position. This increase resulted from more timely receipt of state-shared revenues and budget surpluses. The decreases in the cash position in the other funds reflect the planned use of accumulated fund balances in the SSA accounts and to help promote hospitality-related businesses, beautification and additional police protection to the area in the Tourism District. Other decreases in funds were for drainage improvements paid through the Road Construction Fund and the public works addition paid through the Palatine/Milwaukee TIF Fund.

The \$2,026,165 decrease in total liabilities resulted from decreases of \$2,141,765 in noncurrent liabilities and \$91,891 in accrued interest related to the early payment of Debt Certificates in the development fund, \$142,775 in accrued payroll, and \$12,415 in unearned income. These decreases were offset by an increase of \$325,607 in current accounts payable related to the new public works addition and drainage improvement retainages and \$41,741 in deposits

Business-Type Activities

The business-type activities net position decreased by \$34,215. Business-type activities total assets decreased \$59,072 and total liabilities decreased \$24,857. The decrease in total assets includes a \$149,969 decrease in

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

capital assets and a \$90,897 increase in current and other assets. The majority of the increase in current assets occurred in the Water Fund and reflects an increase in cash position due to water rate increases to add to reserve balances related to infrastructure improvements and a decrease in expenses related to improved maintenance and less water leakage repairs. The decrease in total liabilities includes a \$76,934 increase in current liabilities and a \$101,791 decrease in noncurrent liabilities. The decrease in noncurrent liabilities occurred in the Water Fund and due to a payment of debt related to the water main construction project.

Changes in Net Position

The City's combined change in net position for FY2015 was an increase of \$1,844,341. Governmental activities saw an increase in net position of \$1,878,556 in FY2015 and an increase of \$4,473,383 since the beginning of FY2014. Business-type activities saw a decrease in net position of \$34,215 in FY2015, a decrease of \$113,048 since the beginning of FY2014. The table below shows the condensed revenues and expenses of the City's activities.

Table 2: Comparative Changes in Net Position as of April 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for services	\$ 2,986,006	\$ 3,251,150	\$ 839,893	\$ 846,037	\$ 3,825,899	\$ 4,097,187
Operating and capital grants	981,268	1,412,223	-	-	981,268	1,412,223
General Revenues						
Property taxes	3,160,113	2,853,719	-	-	3,160,113	2,853,719
All other taxes	5,461,833	5,811,453	-	-	5,461,833	5,811,453
Investment income	(166,558)	30,600	3,347	3,293	(163,211)	33,893
Other	445,951	(302,524)	638	-	446,589	(302,524)
Total revenues	12,868,613	13,056,621	843,878	849,330	13,712,491	13,905,951
Expenses						
General government	3,308,818	3,015,194	-	-	3,308,818	3,015,194
Public safety	4,638,103	4,353,155	-	-	4,638,103	4,353,155
Public works	2,464,382	2,206,406	-	-	2,464,382	2,206,406
Interest	796,754	1,097,241	-	-	796,754	1,097,241
Water	-	-	592,541	634,627	592,541	634,627
Parking	-	-	67,552	83,334	67,552	83,334
Total expenses	11,208,057	10,671,996	660,093	717,961	11,868,150	11,389,957
Excess of revenues over expenses	1,660,556	2,384,625	183,785	131,369	1,844,341	2,515,994
Transfers	218,000	210,202	(218,000)	(210,202)	-	-
Change in net position	1,878,556	2,594,827	(34,215)	(78,833)	1,844,341	2,515,994
Net Position - May 1	72,121,869	69,527,042	5,132,914	5,211,747	77,254,783	74,738,789
Net Position - April 30	\$ 74,000,425	\$ 72,121,869	\$ 5,098,699	\$ 5,132,914	\$ 79,099,124	\$ 77,254,783

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

Normal Impacts on Revenues and Expenses

There are eight basic impacts on revenues and expenses, which are described below.

Revenues:

Economic conditions – This can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales and utility tax revenue, and public spending habits for building permits, elective user fees, and volumes of consumption.

Increase in City approved rates – While certain tax rates are set by statute, the City Council has limited authority to impose and periodically increase certain rates (water, licenses, permits, fines, inspection fees, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and nonrecurring) – Certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market impacts on investment income – The City's investment portfolio is managed using a short-term average maturity and market conditions may cause investment income to fluctuate.

Expenses:

Introduction/elimination of programs and services – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) programs and services may be added or deleted to address changing community needs, unfunded mandates from other governmental levels, and funding available within the City.

Increases/decreases in the number of authorized personnel – The City Council may authorize increases or decreases in staffing levels based upon program and service changes. Staffing costs (salary and related benefits) represent approximately 73.75% of the City's General Fund operating costs.

Salary increases (annual adjustments and merit) - The City has three separate bargaining units representing approximately 61% of the employee population.

Inflation – While overall inflation has been reasonably low, the City is a major consumer of certain commodities such as supplies, fuel, and utilities. Some specific areas may experience unusually high price increases.

Current Year Impacts on Revenues and Expenses

Governmental Activities

Revenues:

For the fiscal year ended April 30, 2015, revenues from governmental activities totaled \$12,868,613 a decrease of \$188,008 from the prior fiscal year.

The City continues to receive the majority of its revenues from income taxes, sales and local use taxes, non-home rule sales taxes, telecommunications and utility taxes, and hotel and other taxes. In fiscal year 2015, these taxes generated a total of \$5,461,833 in revenue for the City, which represented 57% of all governmental activity revenues. For fiscal year 2015, these revenues experienced an overall decrease of \$349,620 or 6.01%. The decrease is related to a one time sales tax reimbursement from the Village of Wheeling. Most other tax revenues appear to have stabilized and are seeing positive growth after three years of steady decline. Revenue increases occurred in sales taxes, uses tax, income tax, places for eating tax,

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

rental car tax, and gaming tax with a combined total increase in these revenues of \$298,023. The majority of these taxes are heavily dependent upon the state of the economy, including employment levels and the levels of expendable income for entertainment and extraneous purchases, as well as the City's population. As such, the City has experienced a slow and steady recovery in these revenues *Historical information on the individual tax revenues is presented in Tax Revenues by Source – Governmental Funds, located in the Statistical Section at the back of this report.*

At \$3,160,133 and 23.89% of total revenues, property taxes comprise the second largest single source of governmental activity revenue for the City. The total property taxes received included \$2,723,046 of taxes levied by the City and \$437,087 in property tax increment revenue generated by the City's tax increment financing (TIF) districts. The levied property taxes received are restricted in their use, as follows: \$331,164 in taxes generated by six of the City's special service areas for sanitary system, storm water maintenance, and flood control, \$252,570 in taxes generated for Special Service Area Six debt service payments, \$1,538,316 for Road Construction debt, and \$282,807 in taxes generated to assist in funding the City's police pension obligation. In fiscal year 2015, property tax revenues increased by \$306,394 mainly due to the additional property tax related to the road bonds.

The City generates program revenues via charges for services and operating and capital grants. For fiscal year 2015, the total combined revenues generated by these sources were \$3,967,274 which accounted for 30.8% of total governmental activity revenue. For fiscal year 2015, charges for services generated \$2,986,006 in revenue and represented 23.2% of total governmental activity revenue. Charges for services revenue includes licenses (vehicle, business, and liquor), permits for construction-related activity, code-related inspection fees, fines and forfeits, franchise fees, and other miscellaneous fees. As a non-home rule municipality, the City has limited authority on both the types of charges and related fees that it is able to impose. The majority of the City's current charges for services focus on construction and business-related activity and, as such, this revenue stream tends to follow the ebbs and flows of the economy.

The operating and capital grants and contributions segment of program revenues includes the City's motor fuel tax allotment, grants for police operations and equipment, and shared revenues from DEA seizures. For fiscal year 2015, revenue derived from operating and capital grants totaled \$981,268 and represented 7.4% of total governmental activity revenue. Of this total, the City received \$489,832 from the motor fuel tax allotment, \$104,499 in police operating and equipment grants, \$255,723 in police contributions from DEA-shared revenues, \$10,000 from the Green Region Grant, \$100,000 DECO public works addition grant, and \$21,214 in revenues reimbursed from various sources.

In FY2015, charges for services decreased \$265,144 which reflects the decrease in police fines related to the collection efforts made in the prior year. The remaining governmental activity revenues include investment loss, gain on disposal of assets, joint venture – airport, and miscellaneous fees. For fiscal year 2015, these revenues totaled \$445,951 or 3.5% of total governmental activities revenues. \$577,432 relates to the sale of property associated with the Development fund also known as the arena land and \$228,725 related to reimbursable income and other miscellaneous income, offset by \$166,558 related to the Illinois Metropolitan Investment Fund liquidating trust fraud loss impact to investors and \$360,206 joint venture – airport related to airport improvements in progress being completed and categorized as depreciable assets.

Expenses:

For the fiscal year ended April 30, 2015, expenses from governmental activities totaled \$11,208,057, which represents an increase of \$536,061, or 5.02%, compared to the prior year.

Public safety represents the largest portion of governmental activity expenses. Public safety consists of the City's police department, including all related personnel, pension, training, supplies, and contractual services for the 911 emergency dispatch center. For fiscal year 2015, expenses for public safety were \$4,638,103 and represented 41.4% of total governmental activity expenses. Public safety expenses

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

increased \$284,948 from the prior year, which reflects the membership expenses in the Northeastern IL Regional Crime Laboratory, an additional officer, and an increase in the City's contribution to the police pension fund.

General government is the second largest category of governmental activity expenses. General government includes expenses for the City Council, City Clerk, administration, legal services, finance, engineering, building and zoning, Tourism Zone, liability insurance, utilities, and the solid waste program. For fiscal year 2015, expenses for general government were \$3,308,818 which represented 29.52% of total governmental activities expenses. General government expenses increased \$293,624 from the prior year, due to \$296,844 related to the purchase of property for a municipal parking lot.

Public works is the third major category of governmental activity expenses. Public works includes activity for streets, vehicles, sanitary sewers, storm water management and drainage, buildings and grounds, and forestry. For fiscal year 2015, expenses for public works totaled \$2,464,382 and represented 21.99% of total governmental activities expenses. The \$257,976 increase in public works expenses from the prior year reflects increases in tree removal expense of \$72,446 related to the Emerald Ash Bore disease, new street signs of \$11,928, sidewalk improvements totaling \$18,295, and the creation of a new position - PW Director for \$105,188.

Business-Type Activities

Revenues:

Total revenues for the City's business-type activities for fiscal year 2015 were \$843,878.

Business-type activities in the City consist of water operations and parking operations. Note: in prior years, the City's joint venture in the Chicago Executive Airport was included as a proprietary fund. The airport has now been moved to general government activities. In fiscal year 2015, \$770,827 of program revenue was generated by the water operations related to charges for services and \$69,066 by the parking operation from charges for services.

Expenses:

Total expenses for the City's business-type activities for fiscal year 2015 were \$660,093. Of the total expenses for business-type activities, \$660,093 is attributable to water operations and \$67,552 to parking operations.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2015, the Governmental Funds (as presented beginning on page 20) reported a combined fund balance of \$20,295,286 which is a \$1,403,029, or 6.47%, decrease from the beginning of the year balance of \$21,698,315. Of the total year-end fund balance, \$2,419,829 is unassigned, indicating availability for continuing City services. Fund balances also include \$948,284 non-spendable, \$4,261,607 restricted, \$2,613,202 committed, and \$10,052,364 assigned.

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$1,031,979, or 7.84%, from the beginning of year balance. The City budgeted for a \$613,471 decrease in fund balance. The additional \$ 1,645,450 increase in fund balance reflects \$ 1,095,899 in less than anticipated capital expenses, \$291,535 in departmental savings and \$113,601 in SSA #9 expenses not be incurred. The City did not purchase \$539,000 in buildings as budgeted, road improvements and drainage projects were paid for through the Road Fund and resulted in \$352,297 in unexpended general funds, and \$100,000 in lighting improvements were not performed, the project

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

is on hold. The departmental savings were in Administration/Council & Boards - \$211,864 in savings is related to less insurance claims than budgeted, hiring of a new computer consultant who has proactively handled systems problems, less AV equipment was purchased than budgeted, for a 6 month period the Assistant to the City Administrator's position remained vacant and there was a delay in hiring a new Community Development Director.

SSA #8 fund balance increased by \$59,436. SSA #8 was established for the acquisition of necessary land rights, and the construction, maintenance and operation of Levee 37, and related flood control measures which benefit the proposed area. The Army Corp of Engineers did not complete the wall as anticipated in FY2015 and therefore, full ownership has not been transferred to the City; therefore, expenses were less than anticipated.

The fund balance of the Palatine/Milwaukee TIF Fund decreased \$1,604,778 over the beginning of the year fund balance. This decrease reflects the expenses related to the public works addition and funding for improvements to Player Pub and Grill. The reduction in taxing revenue also had a major impact to the fund.

The Development Fund was established to record activity related to the Series 2006 general obligation debt issue and related land acquisition. The debt was paid and new debt Series 2011B was issued and due on December 15, 2015. The fund balance decreased by \$303,199. The balance decline is related to an interest payment on the bond \$169,687 and pre-payment of principal in the amount of \$730,000 offset by a gain of \$577,432 from the sale of a parcel of land and building.

The Road Construction Debt fund balance increased by \$234,266. The increase is due the first installment of the tax levy related to the Series 2013 GO debt being received. The fund balance increased since the taxes are received prior to the due date of the Bond payments.

Proprietary Funds

At April 30, 2015, the Enterprise Funds' (as presented beginning on page 26) total net position decreased by \$34,215 over the prior year.

The Water Fund reflected a decrease in net position of \$6,733. This decrease was comprised of water related expenses exceeding water fees charged to customers. The City had a water rate study done by an engineering firm. The City has been progressively increasing rates, so not to impact the residents all at one time. The rates continue to be adjusted and should be at appropriate levels by FY2015-16 unless unforeseen emergencies occur.

The Parking Fund experienced a \$27,482 decrease in net position for the year, primarily due to depreciation expense. Parking revenues have increased by \$3,317 over the prior year due increased ridership and enforcement of parking fee payments. Despite these actions, the Parking Fund continues to struggle, as its revenues are not sufficient to support its operating and depreciation expenses. Market competition from neighboring communities, both in parking fees and train schedules, hinders the City's ability to raise fees, and impacts the occupancy rate of its commuter parking lot.

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Administrator is the designated Budget Officer and is responsible to prepare an annual budget and present it to the City Council for review and passage. The annual budget is prepared by fund, with line-item detail, and includes information on the prior year, current year estimates, and each department's requested budget for the next fiscal year.

The process begins with all departments of the City submitting their budget requests to the City Administrator. The proposed budget is prepared and presented to the City Council for review and discussion. Public hearings are held, revisions are made, and the process culminates with adoption of the budget, in ordinance form, by the City Council. The budget, which by state law also serves as the appropriation ordinance, represents the legal budget of the City and must be adopted by the City Council prior to May 1.

The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, one budget amendment was approved by the City Council. The last budget amendment was approved on January 26, 2015.

During fiscal year 2015, the City amended its General Fund budget one time. Table 3 below reflects the original and final amended budget for the General Fund. *More information can be found in the General Fund's schedule of revenues, expenditures, and changes in fund balance on page 79s.*

Table 3: General Fund Budgetary Changes
for Fiscal Year 2015

	Original Budget	Final Budget	Actual
Revenues	\$ 7,724,037	\$ 7,605,675	\$ 7,747,987
Expenditures	9,030,570	9,892,779	8,390,641
Other Financing Sources (Uses)	1,421,933	1,673,633	1,674,633
Change in Fund Balance	\$ 115,400	\$ (613,471)	\$ 1,031,979

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

CAPITAL ASSETS

At the end of FY2015, the City had a combined total of \$37,307,384 of capital assets invested in land; equipment; buildings and improvements; vehicles; infrastructure; water facilities and lines; and a commuter lot (see Table 4 below). *The following tables summarize the changes in capital assets, which are presented in detail in Note III (c) in the Notes to the Financial Statements.*

Table 4: Capital Assets at Year-End, Net of Depreciation

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>			
	2015	2014	2015	2014	2015	2014
Land (includes rights of way and easements)	\$ 7,926,383	\$ 7,706,337	\$ 102,195	\$ 102,195	\$ 8,028,578	\$ 7,808,532
Construction in progress	-	-	-	-	-	-
Buildings and improvements	5,565,529	4,089,649	983,609	1,029,863	6,549,138	5,119,512
Machinery and equipment	179,579	158,649	29,940	34,930	209,519	193,579
Vehicles	718,262	757,325	34,677	40,457	752,939	797,782
Office furniture and equipment	272,295	279,608	-	-	272,295	279,608
Infrastructure	18,313,951	18,572,187	-	-	18,313,951	18,572,187
Water mains	-	-	3,093,464	3,181,809	3,093,464	3,181,809
Water reservoir	-	-	87,400	92,000	87,400	92,000
Total capital assets	<u>\$ 32,975,999</u>	<u>\$ 31,563,755</u>	<u>\$ 4,331,285</u>	<u>\$ 4,481,254</u>	<u>\$ 37,307,284</u>	<u>\$ 36,045,009</u>

For fiscal year 2015, the City's total capital assets, net of depreciation, increased \$1,262,275. Capital assets of business-type activities decreased \$149,969 due to annual depreciation. Capital assets of government activities increased \$1,412,244 due to drainage improvements and the addition to the public works facility.

Table 5: Change in Capital Assets

	Governmental	Business-type	Total
	<u>Activities</u>		
	2015		
Beginning Balance	\$ 31,563,755	\$ 4,481,254	\$ 36,045,009
Additions			
Depreciable	2,750,776	-	2,750,776
Nondepreciable	220,046	-	220,046
Retirements			
Depreciable	-	-	-
Nondepreciable	-	-	-
Depreciation	<u>(1,558,578)</u>	<u>(149,969)</u>	<u>(1,708,547)</u>
	<u>\$ 32,975,999</u>	<u>\$ 4,331,285</u>	<u>\$ 37,307,284</u>

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

This year's additions to capital assets include the following:

Governmental Activities

General Government

- Land for Public Parking - \$210,298
- Parking Lot Resurfacing City Hall - \$76,103

Police Department

- New Server - \$10,900
- Three police vehicles - \$109,986
- Carport - \$ 242,007
- Parking Lot resurfacing - \$ 54,837

Public Works

- Five Security Cameras - \$43,558
- Stump Grinder - \$14,258
- Bobcat - \$31,201
- Drainage Improvements - \$703,755
- Streets - \$112,775
- Addition to Public Works - \$ 1,337,021
- Streetlights - \$14,375

Business-Type Activities

No new assets

Debt Outstanding

The City of Prospect Heights governmental activities had total long-term debt of \$25,309,187 as of April 30, 2015. Long-term debt is comprised of general obligation debt, tax increment financing loans, special service area bonds, a note payable, net pension obligation, compensated absences payable to employees, and other postemployment benefit obligations. *For more detail on the City's long-term debt, see Note III (E) in the Notes to the Financial Statements.*

Loans outstanding: At April 30, 2015, the City had one tax increment financing (TIF) loan outstanding with a balance of \$1,365,000. The City has pledged the property tax increment generated by the TIF districts for repayment of this loan. This loan maturity date is December 1, 2017.

Notes payable outstanding: At April 30, 2015, the City has no notes outstanding.

General obligation debt outstanding: At the end of the year, the City had seven general obligation (G.O.) debt issues outstanding with a combined balance of \$19,440,000. Under state statutes, the City's aggregated general obligation indebtedness cannot exceed 8.625% of the value of taxable property within the City. As of April 30, 2015, the total debt applicable to this limit was \$19,440,000 well below the \$29,488,247 set by law. None of the general obligation debt is bonded debt, and; therefore, is not supported with a direct tax on the residents of the City.

Special service area bonds outstanding: At the end of the year, the City had one special service area bond outstanding with a balance of \$2,240,000. This bond is supported with a property tax on the residents located within Special Service Area #6 and has a final maturity date of December 15, 2028.

Compensated absences: At the end of the year, compensated absences payable totaled \$372,719, which reflected an increase of \$93,994 from the prior year. This increase reflects the expense of hiring additional new personnel and salary increases.

Net pension obligation: As of April 30, 2015, the City's net pension obligation totaled \$1,563,944, which reflected a decrease of \$29,920 over the prior year. As of the last valuation date, the Police Pension Fund had a

CITY OF PROSPECT HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For Fiscal Year Ended April 30, 2015

funded ratio of 61.99%. While the City has taxing authority for the employer share of the police pension contribution, the tax revenue generated only covered 41.61% of the City's FY2015 contribution. The police pension tax does not have a rate ceiling; however, the City's ability to increase this tax levy is limited by the tax caps imposed by the state of Illinois. The City's attempts to increase this levy through referendum have failed. *For more detail on the City's pension obligations see Note IV (A) in the Notes to the Financial Statements.*

Other postemployment benefit (OPEB) obligations: As of April 30, 2015, the City's net OPEB obligation totaled \$181,135. The City is not required to and currently does not advance fund this obligation. *For more detail on the City's OPEB obligation see Note IV (E) in the Notes to the Financial Statements.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City relies almost entirely upon revenues driven by the state of the economy to support its basic services. As a result, the City began working on a strategic financial plan that addressed both its revenue streams and a review of its expenses. As part of the revenue analysis, the City identified that, to stabilize and increase its revenue streams, the burden of funding the City should be shared by the taxpayers, the users of services, and patrons of businesses. Steps taken to increase revenues include the review of existing fees and charges and the implementation of fee increases; establishment of a vehicle seizure fee; expansion of an OTB, opening additional video gaming establishments, enforcement of existing revenue-generating codes, and collection of outstanding receivables through the debt recovery program. The City has been unsuccessful in attempts to obtain voter approval to increase its taxing authority. Another action initiated by the City Council to increase revenues has been the establishment of an Economic/Business Development Committee and Department Director whose mission is to promote and foster economic business development within the community.

The second component of the strategic financial plan encompassed opportunities to reduce or stabilize growth in expenditures. Due to budget reductions over the years, including personnel, the majority of the City's budget is now dedicated to personnel and related benefits. The FY2015-2016 budget adopted on April 27, 2015 reflects no fee increases, revenues continue to be reliant on economically-driven revenue streams to support basic City services, and no significant service modifications are anticipated.

The components of the strategic financial plan encompassed the need to establish a capital repair and replacement plan to address the City's aging facilities, equipment, and infrastructure, especially the roads. The voters approved a \$15 million bond referendum on November 2, 2010 for the payment of local road construction and related maintenance equipment, storm sewer and related drainage projects, and related expenses. The first phase of the project was completed in April, 2012, Phase II was completed in November 2012, and Phase III was completed in the fall of 2014. The City passed its first five year Capital Improvement Plan in April 2014 to begin the process of setting funds aside for future programs thus eliminating the need for future referendums. The City has set aside \$4,440,154 in FY2014-15 for future capital improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Stephanie L Hannon, Finance Director, City of Prospect Heights, 8 North Elmhurst Road, Prospect Heights, Illinois 60070.

CITY OF PROSPECT HEIGHTS

STATEMENT OF NET POSITION As of April 30, 2015

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 17,100,668	\$ 1,812,835	\$ 18,913,503
Receivables (net)			
Property taxes	1,330,256	-	1,330,256
Intergovernmental	958,157	-	958,157
Other taxes	77,658	-	77,658
Accounts	365,699	77,836	443,535
Accrued interest	11	-	11
Prepaid items	109,352	5,773	115,125
Assets held for resale	2,210,500	-	2,210,500
Internal balances	3,980	(3,980)	-
Internal balances - advances	446,623	(446,623)	-
Investment in joint venture - airport	46,224,231	-	46,224,231
Capital Assets			
Capital assets not being depreciated	7,926,383	102,195	8,028,578
Capital assets, net of accumulated depreciation	<u>25,049,616</u>	<u>4,229,090</u>	<u>29,278,706</u>
Total Assets	<u>101,803,134</u>	<u>5,777,126</u>	<u>107,580,260</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	<u>105,317</u>	<u>-</u>	<u>105,317</u>
Total Deferred Outflows of Resources	<u>105,317</u>	<u>-</u>	<u>105,317</u>
LIABILITIES			
Accounts payable	787,097	39,351	826,448
Accrued payroll	53,750	1,377	55,127
Accrued interest	291,221	12,566	303,787
Deposits	70,368	1,800	72,168
Unearned revenues	89,021	-	89,021
Noncurrent Liabilities			
Due within one year	6,692,719	58,333	6,751,052
Due in more than one year	<u>18,616,468</u>	<u>565,000</u>	<u>19,181,468</u>
Total Liabilities	<u>26,600,644</u>	<u>678,427</u>	<u>27,279,071</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes levied for future periods	<u>1,307,382</u>	<u>-</u>	<u>1,307,382</u>
Total Deferred Inflows of Resources	<u>1,307,382</u>	<u>-</u>	<u>1,307,382</u>
NET POSITION			
Net investment in capital assets	16,150,710	3,716,285	19,866,995
Restricted for			
Debt service	995,127	-	995,127
Public safety	534,487	-	534,487
Special service area improvements	737,997	-	737,997
Tourism	696,364	-	696,364
Streets and highways	800,322	-	800,322
Unrestricted	<u>54,085,418</u>	<u>1,382,414</u>	<u>55,467,832</u>
TOTAL NET POSITION	<u>\$ 74,000,425</u>	<u>\$ 5,098,699</u>	<u>\$ 79,099,124</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2015

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
General government	\$ 3,308,818	\$ 2,182,833	\$ 131,214
Public safety	4,638,103	803,173	360,222
Public works	2,464,382	-	489,832
Interest and fiscal charges	<u>796,754</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>11,208,057</u>	<u>2,986,006</u>	<u>981,268</u>
Business-type Activities			
Water	592,541	770,827	-
Parking	<u>67,552</u>	<u>69,066</u>	<u>-</u>
Total Business-type Activities	<u>660,093</u>	<u>839,893</u>	<u>-</u>
Total	<u>\$ 11,868,150</u>	<u>\$ 3,825,899</u>	<u>\$ 981,268</u>

General Revenues

Taxes
Property
Local sales and use taxes
Utility
Hotel
Other
Intergovernmental
Income tax
State sales tax
Other intergovernmental taxes
Net change of investment in joint venture - airport
Investment income
Gain on disposal of assets
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year
(as restated)

NET POSITION - END OF YEAR

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (994,771)	\$ -	\$ (994,771)
(3,474,708)	-	(3,474,708)
(1,974,550)	-	(1,974,550)
<u>(796,754)</u>	<u>-</u>	<u>(796,754)</u>
<u>(7,240,783)</u>	<u>-</u>	<u>(7,240,783)</u>
-	178,286	178,286
-	<u>1,514</u>	<u>1,514</u>
-	<u>179,800</u>	<u>179,800</u>
<u>(7,240,783)</u>	<u>179,800</u>	<u>(7,060,983)</u>
3,160,113	-	3,160,113
445,284	-	445,284
1,059,104	-	1,059,104
776,817	-	776,817
479,776	-	479,776
1,637,723	-	1,637,723
924,209	-	924,209
138,920	-	138,920
(360,206)	-	(360,206)
(166,558)	3,347	(163,211)
577,432	-	577,432
228,725	638	229,363
<u>218,000</u>	<u>(218,000)</u>	<u>-</u>
<u>9,119,339</u>	<u>(214,015)</u>	<u>8,905,324</u>
1,878,556	(34,215)	1,844,341
<u>72,121,869</u>	<u>5,132,914</u>	<u>77,254,783</u>
<u>\$ 74,000,425</u>	<u>\$ 5,098,699</u>	<u>\$ 79,099,124</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

BALANCE SHEET
GOVERNMENTAL FUNDS
As of April 30, 2015

	<u>General</u>	<u>Special Service Area #8</u>	<u>Palatine / Milwaukee TIF</u>	<u>Road Construction Debt</u>
ASSETS				
Cash and investments	\$ 11,663,210	\$ 150,099	\$ 630,338	\$ 773,879
Receivables (net)				
Property taxes	166,615	122,596	171,193	674,060
Intergovernmental	920,349	-	-	-
Other taxes	77,658	-	-	-
Accounts	250,753	-	-	-
Accrued interest	-	1	3	5
Prepaid items	73,719	-	108	-
Assets held for resale	-	-	-	-
Due from other funds	3,980	-	13,387	-
Advances to other funds	<u>838,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 13,995,262</u>	<u>\$ 272,696</u>	<u>\$ 815,029</u>	<u>\$ 1,447,944</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 350,342	\$ 3,491	\$ 332,771	\$ 350
Accrued payroll	53,750	-	-	-
Deposits	70,368	-	-	-
Unearned revenue	89,021	-	-	-
Due to other funds	97,550	-	-	-
Advances from other funds	-	<u>300,000</u>	-	-
Total Liabilities	<u>661,031</u>	<u>303,491</u>	<u>332,771</u>	<u>350</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	<u>164,424</u>	<u>117,926</u>	<u>168,241</u>	<u>663,959</u>
Total Deferred Inflows of Resources	<u>164,424</u>	<u>117,926</u>	<u>168,241</u>	<u>663,959</u>
Fund Balances (Deficit)				
Nonspendable	912,697	-	108	-
Restricted	36,232	-	313,909	783,635
Committed	2,170,017	-	-	-
Assigned	7,390,154	-	-	-
Unassigned	<u>2,660,707</u>	<u>(148,721)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>13,169,807</u>	<u>(148,721)</u>	<u>314,017</u>	<u>783,635</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 13,995,262</u>	<u>\$ 272,696</u>	<u>\$ 815,029</u>	<u>\$ 1,447,944</u>

See accompanying notes to financial statements.

<u>Development</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 451,710	\$ 3,431,432	\$ 17,100,668
-	195,792	1,330,256
-	37,808	958,157
-	-	77,658
-	114,946	365,699
-	2	11
-	35,525	109,352
2,210,500	-	2,210,500
-	84,163	101,530
<u>-</u>	<u>-</u>	<u>838,978</u>
<u>\$ 2,662,210</u>	<u>\$ 3,899,668</u>	<u>\$ 23,092,809</u>
\$ -	\$ 100,143	\$ 787,097
-	-	53,750
-	-	70,368
-	-	89,021
-	-	97,550
<u>-</u>	<u>92,355</u>	<u>392,355</u>
<u>-</u>	<u>192,498</u>	<u>1,490,141</u>
<u>-</u>	<u>192,832</u>	<u>1,307,382</u>
<u>-</u>	<u>192,832</u>	<u>1,307,382</u>
-	35,525	948,330
-	3,127,831	4,261,607
-	443,185	2,613,202
2,662,210	-	10,052,364
<u>-</u>	<u>(92,203)</u>	<u>2,419,783</u>
<u>2,662,210</u>	<u>3,514,338</u>	<u>20,295,286</u>
<u>\$ 2,662,210</u>	<u>\$ 3,899,668</u>	<u>\$ 23,092,809</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of April 30, 2015

Total Fund Balances - Governmental Funds	\$ 20,295,286
--	---------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	32,975,999
--	------------

Deferred amount on refunding is reported as a deferred outflow on the statement of net position.	105,317
--	---------

Investments in joint ventures are not financial resources and, therefore, are not reported in the funds.	46,224,231
--	------------

Some liabilities, including long-term debt, are not due and payable in the current period and therefore, are not reported in the funds.	
Bonds and notes payable	(23,191,389)
Compensated absences	(372,719)
Accrued interest	(291,221)
Net OPEB obligation	(181,135)
Net pension obligation	<u>(1,563,944)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 74,000,425</u>
--	-----------------------------

CITY OF PROSPECT HEIGHTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2015

	General	Special Service Area #8	Palatine/ Milwaukee TIF	Road Construction Debt
REVENUES				
Taxes	\$ 2,475,140	\$ 208,860	\$ 437,087	\$ 1,538,316
Intergovernmental	2,815,351	-	100,000	-
Licenses and permits	932,368	-	-	-
Fines, forfeitures and penalties	755,188	-	-	-
Charges for services	729,637	-	-	-
Investment income	(168,520)	155	203	6
Miscellaneous	208,823	-	-	-
Total Revenues	<u>7,747,987</u>	<u>209,015</u>	<u>537,290</u>	<u>1,538,322</u>
EXPENDITURES				
Current				
General government	1,822,742	-	236,061	1,250
Public safety	4,403,818	-	-	-
Public works	1,078,239	13,470	-	-
Capital outlay	901,341	43,558	1,337,021	-
Debt Service				
Principal	120,000	-	400,000	875,000
Interest	64,501	6,751	84,486	427,806
Total Expenditures	<u>8,390,641</u>	<u>63,779</u>	<u>2,057,568</u>	<u>1,304,056</u>
Excess (deficiency) of revenues over expenditures	<u>(642,654)</u>	<u>145,236</u>	<u>(1,520,278)</u>	<u>234,266</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,674,633	-	-	-
Transfers out	-	(85,800)	(84,500)	-
Gain on sales of assets held for resale	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,674,633</u>	<u>(85,800)</u>	<u>(84,500)</u>	<u>-</u>
Net Change in Fund Balances	1,031,979	59,436	(1,604,778)	234,266
FUND BALANCES (DEFICIT) - Beginning of Year	<u>12,137,828</u>	<u>(208,157)</u>	<u>1,918,795</u>	<u>549,369</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 13,169,807</u>	<u>\$ (148,721)</u>	<u>\$ 314,017</u>	<u>\$ 783,635</u>

See accompanying notes to financial statements.

<u>Development</u>	Nonmajor Governmental Funds	<u>Totals</u>
\$ -	\$ 1,151,691	\$ 5,811,094
-	745,555	3,660,906
-	-	932,368
-	-	755,188
-	562,104	1,291,741
54	1,544	(166,558)
<u>57,825</u>	<u>100,000</u>	<u>366,648</u>
<u>57,879</u>	<u>2,560,894</u>	<u>12,651,387</u>
38,823	879,041	2,977,917
-	20,186	4,424,004
-	104,133	1,195,842
-	856,732	3,138,652
730,000	100,000	2,225,000
<u>169,687</u>	<u>135,202</u>	<u>888,433</u>
<u>938,510</u>	<u>2,095,294</u>	<u>14,849,848</u>
<u>(880,631)</u>	<u>465,600</u>	<u>(2,198,461)</u>
-	-	1,674,633
-	(1,286,333)	(1,456,633)
<u>577,432</u>	-	<u>577,432</u>
<u>577,432</u>	<u>(1,286,333)</u>	<u>795,432</u>
(303,199)	(820,733)	(1,403,029)
<u>2,965,409</u>	<u>4,335,071</u>	<u>21,698,315</u>
<u>\$ 2,662,210</u>	<u>\$ 3,514,338</u>	<u>\$ 20,295,286</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2015

Net change in fund balances - total governmental funds	\$	(1,403,029)
--	----	-------------

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

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		2,970,822
Depreciation is reported in the government-wide financial statements		(1,558,578)

The proportionate share of the change in net position related to joint ventures reported in the statement of activities neither provides or uses current financial resources and are not reported in the fund statements.		(360,206)
---	--	-----------

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repaid		2,225,000

Governmental funds report debt premiums and discounts as other financing sources (uses). However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.		
Premium		8,564

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(93,994)
Other post employment benefits		(23,058)
Accrued interest on debt		91,891
Amortization of deferred charge on refunding		(8,776)
Net pension obligation		<u>29,920</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>1,878,556</u>
--	-----------	-------------------------

CITY OF PROSPECT HEIGHTS

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of April 30, 2015

	Business-type Activities - Enterprise Funds		
	Water	Parking	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 1,811,837	\$ 998	\$ 1,812,835
Accounts receivable	77,836	-	77,836
Prepaid items	5,421	352	5,773
Total Current Assets	<u>1,895,094</u>	<u>1,350</u>	<u>1,896,444</u>
Noncurrent Assets			
Capital assets not being depreciated	102,195	-	102,195
Capital assets net of accumulated depreciation	3,522,091	706,999	4,229,090
Total Noncurrent Assets	<u>3,624,286</u>	<u>706,999</u>	<u>4,331,285</u>
Total Assets	<u>5,519,380</u>	<u>708,349</u>	<u>6,227,729</u>
LIABILITIES			
Current Liabilities			
Accounts payable	38,693	658	39,351
Accrued payroll	1,377	-	1,377
Accrued interest	12,566	-	12,566
Deposits	1,800	-	1,800
Due to other funds	3,980	-	3,980
Compensated absences	8,333	-	8,333
General obligation debt payable	50,000	-	50,000
Total Current Liabilities	<u>116,749</u>	<u>658</u>	<u>117,407</u>
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt payable	565,000	-	565,000
Advances from other funds	-	446,623	446,623
Total Noncurrent Liabilities	<u>565,000</u>	<u>446,623</u>	<u>1,011,623</u>
Total Liabilities	<u>681,749</u>	<u>447,281</u>	<u>1,129,030</u>
NET POSITION			
Net investment in capital assets	3,009,286	706,999	3,716,285
Unrestricted	<u>1,828,345</u>	<u>(445,931)</u>	<u>1,382,414</u>
TOTAL NET POSITION	<u>\$ 4,837,631</u>	<u>\$ 261,068</u>	<u>\$ 5,098,699</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS For the Year Ended April 30, 2015

	Business-type Activities - Enterprise Funds		
	Water	Parking	Totals
OPERATING REVENUES			
Charges for services	\$ 770,827	\$ 69,066	\$ 839,893
Total Operating Revenues	<u>770,827</u>	<u>69,066</u>	<u>839,893</u>
OPERATING EXPENSES			
Operations and maintenance	445,197	35,416	480,613
Depreciation expense	117,833	32,136	149,969
Total Operating Expenses	<u>563,030</u>	<u>67,552</u>	<u>630,582</u>
Operating Income	<u>207,797</u>	<u>1,514</u>	<u>209,311</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	3,343	4	3,347
Interest expense	(29,511)	-	(29,511)
Miscellaneous	638	-	638
Total Nonoperating Revenues (Expenses)	<u>(25,530)</u>	<u>4</u>	<u>(25,526)</u>
Income Before Transfers	<u>182,267</u>	<u>1,518</u>	<u>183,785</u>
TRANSFERS			
Transfers out	<u>(189,000)</u>	<u>(29,000)</u>	<u>(218,000)</u>
Total Transfers	<u>(189,000)</u>	<u>(29,000)</u>	<u>(218,000)</u>
Change in Net Position	<u>(6,733)</u>	<u>(27,482)</u>	<u>(34,215)</u>
NET POSITION - Beginning of Year	<u>4,844,364</u>	<u>288,550</u>	<u>5,132,914</u>
NET POSITION - END OF YEAR	<u>\$ 4,837,631</u>	<u>\$ 261,068</u>	<u>\$ 5,098,699</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended April 30, 2015

	Business-type Activities - Enterprise Funds		
	Water	Parking	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 767,212	\$ 69,066	\$ 836,278
Paid to suppliers for goods and services	(298,035)	(35,274)	(333,309)
Paid to employees for services	(123,666)	-	(123,666)
Net Cash Flows From Operating Activities	<u>345,511</u>	<u>33,792</u>	<u>379,303</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	3,343	4	3,347
Net Cash Flows From Investing Activities	<u>3,343</u>	<u>4</u>	<u>3,347</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	(185,020)	(29,000)	(214,020)
Interfund advances paid	-	(6,906)	(6,906)
Miscellaneous revenue	638	-	638
Net Cash Flows From Noncapital Financing Activities	<u>(184,382)</u>	<u>(35,906)</u>	<u>(220,288)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt retired	(50,000)	-	(50,000)
Interest paid	(29,511)	-	(29,511)
Net Cash Flows From Capital and Related Financing Activities	<u>(79,511)</u>	<u>-</u>	<u>(79,511)</u>
Net Change in Cash and Cash Equivalents	84,961	(2,110)	82,851
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,726,876</u>	<u>3,108</u>	<u>1,729,984</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,811,837</u>	<u>\$ 998</u>	<u>\$ 1,812,835</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended April 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Parking</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 207,797	\$ 1,514	\$ 209,311
Adjustments to Reconcile Operating Income to Net Cash			
Flows From Operating Activities			
Depreciation	117,833	32,136	149,969
Changes in assets and liabilities			
Accounts receivables	(3,615)	-	(3,615)
Prepaid items	(1,153)	(352)	(1,505)
Accounts payable	20,441	494	20,935
Accrued payroll	(2,334)	-	(2,334)
Compensated absences	<u>6,542</u>	<u>-</u>	<u>6,542</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 345,511</u>	 <u>\$ 33,792</u>	 <u>\$ 379,303</u>
 NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
None			

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2015

	<u>Pension Trust Police Pension Fund</u>
ASSETS	
Cash	\$ 362,524
Investments	
Mutual funds	7,274,290
U.S. government and agency securities	3,250,158
Corporate bonds	1,413,411
Receivables	
Accrued interest	28,995
Prepaid expenses	<u>517</u>
Total Assets	<u>12,329,895</u>
LIABILITIES	
Accounts payable	<u>2,182</u>
Total Liabilities	<u>2,182</u>
NET POSITION	
Restricted for pension	<u>\$ 12,327,713</u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended April 30, 2015

	<u>Pension Trust</u> <u>Police Pension</u> <u>Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 671,436
Plan members	<u>178,778</u>
Total Contributions	<u>850,214</u>
Investment income	
Interest and dividends	233,120
Net appreciation (depreciation) in fair value of investments	<u>516,590</u>
Total Investment Income	749,710
Less Investment expense	<u>25,503</u>
Net Investment Income	<u>724,207</u>
Total Additions	<u>1,574,421</u>
DEDUCTIONS	
Administration	22,575
Benefits	285,148
Refunds of contributions	<u>457,314</u>
Total Deductions	<u>765,037</u>
 Change in Net Position	 809,384
 NET POSITION - Beginning of Year	 <u>11,518,329</u>
 NET POSITION - END OF YEAR	 <u><u>\$ 12,327,713</u></u>

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended April 30, 2015

NOTE	Page
I Summary of Significant Accounting Policies	33
A. Reporting Entity	33
B. Government-Wide and Fund Financial Statements	34
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	38
1. Deposits and Investments	38
2. Receivables	41
3. Prepaid Items	42
4. Capital Assets	42
5. Deferred Outflows of Resources	43
6. Compensated Absences	43
7. Long-Term Obligations	44
8. Deferred Inflows of Resources	44
9. Equity Classifications	45
10. Land Held for Resale	46
II Stewardship, Compliance, and Accountability	47
A. Budgetary Information	47
A. Excess Expenditures Over Appropriations	47
B. Deficit Balances	48
C. Limitations on the City's Tax Levy	48
III Detailed Notes on All Funds	49
A. Deposits and Investments	49
B. Receivables	51
C. Capital Assets	53
D. Interfund Receivables/Payables, Advances and Transfers	56
E. Long-Term Obligations	59
F. Fund Balances	63
G. Restatement of Net Position	64
IV Other Information	65
A. Employees' Retirement System	65
B. Risk Management	71
C. Commitments and Contingencies	72
D. Joint Ventures	72
E. Other Postemployment Benefits	75
F. Effect of New Accounting Standards on Current-Period Financial Statements	78

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS As of and For the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Prospect Heights, Illinois (the City) was incorporated in 1976. The City is a non home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Prospect Heights, Illinois conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Component Unit

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. 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 the 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 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 and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the PPERS.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 67 - *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. This statement establishes accounting and financial reporting standards for the activities of pension plans that are administered through trusts and meet certain criteria. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures* as they related to pension plans that are administered through trusts or equivalent arrangements that meet certain requirements. This standard was implemented May 1, 2014.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditure/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and 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:

- General Fund - accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Special Service Area #8 - Special Revenue Fund - used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for levee wall improvements.
- Palatine/Milwaukee TIF - Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs associated with the Palatine Road and Milwaukee Avenue area improvements.
- Road Construction Debt - Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs on the City's General Obligation Debt Certificates, Series 2011A and 2012.
- Development - Capital Projects Fund - used to account for assets held for resale.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following major enterprise funds:

Water Fund - accounts for operations of the water system.
Parking Fund - accounts for operations of the commuter parking lot.

The City reports the following nonmajor governmental funds:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Motor Fuel Tax	Tourism
DEA Seizure	SWANCC
Special Service Area #1	Special Service Area #2
Special Service Area #3	Special Service Area #4
Special Service Area #5	

Debt Service Fund - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Special Service Area #6 Debt

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Service Area #6 Construction
Road Construction

In addition, the City reports the following fund type:

Pension (and other employee benefit) trust fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Police Pension

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property tax revenues and all other revenues to be available if they are collected within 60 days and 180 days, respectively, of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest. Other general revenues such as fines and forfeitures, inspection fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make deposits/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 agreement 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 the Illinois Funds Investment Pool.

Pension funds may also invest in certain non U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

The police pension fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	37%	2.90%
Domestic equities	45%	2.70%
International equities	12%	5.85%
Real estate	3%	5.92%
Cash	3%	(0.03)%

Illinois Compiled Statutes (ILCS) limit the police pension fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the police pension fund's investments was determined using an asset allocation study conducted by the police pension fund's investment management consultant in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the police pension fund's target asset allocation are listed in the table above.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The City and Police Pension have adopted investment policies. Those policies contain the following guidelines for allowable investments.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk

The City's investment policy seeks to ensure preservation of capital in the City's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the City may collateralize its repurchase agreements using longer dated investments not to exceed thirty (30) years to maturity. Reserve funds may be invested in securities of three (3) years maturity or less, if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The City's policy requires the investment portfolio to be sufficiently liquid to enable the City and Police Pension to meet all operating requirements as they come due. The Police Pension's policy does not limit investment maturities.

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's and pension's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

Concentration of Credit Risk

The City's investment policy requires that the City will diversify its investments by security type and institution. With the exception of U.S. treasury securities and authorized pools, no more than fifty percent (50%) of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The Police Pension's investment policy does not limit concentration of the portfolio.

Custodial Credit Risk - Deposits

The City's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The Police Pension's investment policy does not address deposit custodial credit risk.

Custodial Credit Risk - Investments

The City's investment policies require all securities to be held by a third party custodian approved by the Treasurer and evidenced by safekeeping receipts. The police pension's investment policy does not address investment custodial credit risk.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2015 attaches as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2015 tax levy, which attached as an enforceable lien on the property as of January 1, 2015, has not been recorded as a receivable as of April 30, 2015, as the tax has not yet been levied by the City and will not be levied until December 2015, and therefore, the levy is not measurable at April 30, 2015.

Tax bills for levy year 2014 are prepared by the county and issued on or about February 1, 2015 and July 1, 2015, and are payable in two installments, on or about March 1, 2015 and August 1, 2015 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2014 property tax levy is recognized as a receivable and deferred inflow of resources in fiscal 2015, net of amounts already collected and of an allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

2. Receivables (cont.)

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$200,000 for roads and bridges; \$50,000 for land, buildings, building improvements and sidewalks; \$20,000 for machinery and equipment; \$10,000 for vehicles, water main and sewer mains; and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Capital Assets (cont.)

Government-Wide Statements (cont.)

Buildings	25-50 Years
Land Improvements	25-50 Years
Machinery and Equipment	10-25 Years
Utility System	50 Years
Levee	50 Years
Bridges	100 Years
Street Lights	50 Years
Sidewalks	40 Years
Storm sewers	35-50 Years
Sanitary sewers	40 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

6. Compensated Absences

Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at April 30, 2015, are determined on the basis of current salary rates and include salary related payments.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

7. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The City has adopted a financial policy authorizing the City Administrator or Finance Director to assign funds for specific purposes. Any funds set aside as assigned fund balance must be reported to the City Council at their next regular meeting. The City Council has the authority to remove or change the assignment of the funds with a simple majority vote. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceeds amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Under (ordinance O-12-13), the City Council formally established a stabilization arrangement. The stabilization arrangement is contained as a committed balance within the general fund. The stabilization arrangement shall not be used except for urgent events that affect the health and safety of residents including floods, fires or storm damage. Additions to the stabilization arrangement are required when this committed fund balance declines below 10% of general fund expenditures.

See Note III. F. for further information.

10. Land Held for Resale

The City's assets held for resale include property that is being held for sale for future development of the City. The assets are valued at the lower of cost or market.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, and pension trust funds. All annual budget appropriations lapse at fiscal year-end.

The City Administrator is the designated budget officer and is responsible to prepare an annual budget and present it to the City Council for review and passage. The annual budget is prepared by fund, with line-item detail, and includes information on the prior year, current year estimates, and each department's requested budget for the next fiscal year.

The budget process begins in early January with each department preparing its budget requests and submitting them to the City Administrator. The City Administrator then meets with each department to review the department's proposed budget, and adjustments are made to align the proposed budget with available funding sources. By late February, the proposed budget is compiled and distributed to the City Council. During March, several budget meetings are held at which the City Council completes an in-depth review of the proposed budget and provides recommended changes. During April, the proposed budget receives tentative approval from the City Council, a public hearing is held, and then the budget is adopted by the City Council in ordinance form. The budget, which by state law also serves as the appropriation ordinance, serves as the legal budget of the City and must be adopted by the City Council prior to May 1.

The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several budget amendments were approved by the City Council, the last of which was approved on January 26, 2015.

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
Police Pension	\$ 630,730	\$ 765,037	\$ 134,307

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2015, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Service Area #8	\$ 148,721	Current and prior operating expenditures exceeded available revenues or financing
Special Service Area #1	92,157	Current and prior operating expenditures exceeded available revenues or financing

All funds deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

C. LIMITATIONS ON THE CITY'S TAX LEVY

Tax rate ceilings are established by Illinois state law under the Property Tax Extension Limitation Act (PTELA) and are subject to change only by the approval of the voters of the City. The tax rate ceilings are applied at the fund level.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the City's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2014 and 2013 tax levies were 1.5% and 1.7%, respectively.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City and pension's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 10,562,872	\$ 10,627,013	Custodial credit risk
Illinois funds money market	8,187,002	8,187,002	Credit risk
IMET	1,995	1,995	Credit risk
Other money market accounts	522,524	522,524	Credit, interest rate, and concentration of credit risk
US government securities	474,222	474,222	Interest rate
US agency securities - explicitly guaranteed	16,330	16,330	Interest rate
US agency securities - implicitly guaranteed	2,759,606	2,759,606	Credit, interest rate, and concentration of credit risk
Corporate bonds	1,413,411	1,413,411	Credit, interest rate, and concentration of credit risk
Mutual funds - other than bond funds	7,274,290	7,274,290	N/A
Petty cash	1,634	-	N/A
Total Deposits and Investments	\$ 31,213,886	\$ 31,276,393	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 18,913,503		
Per statement of net position- fiduciary funds			
Cash	362,524		
Mutual funds	7,274,290		
U.S. government and agency securities	3,250,158		
Corporate bonds	1,413,411		
Total Deposits and Investments	\$ 31,213,886		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held at an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2015, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Illinois funds money market	AAAm	Not Rated
IMET	Not Rated	Aaa/MR1
Other money market accounts	Not Rated	Not Rated
US government and agency securities	AA+	Aaa
Corporate bonds	AA to A	Aa1 to A2

On September 29, 2014, the Illinois Metropolitan Investment Trust (IMET) was informed of defaults on certain loans believed to be guaranteed in its Convenience Fund caused by fraud on the part of First Farmer's Financial (FFF), a USDA approved lender. This resulted in a decrease in the value of the City's IMET investments in the amount of \$208,593.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At April 30, 2015, the pension's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
Federal Home Loan Bank	US government and agency securities	19.50%

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2015, the City's investments were as follows:

<i>City</i>	<u>Maturity (In Years)</u>	
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>
Other money market accounts	\$ 522,524	\$ 522,524
Totals	<u>\$ 522,524</u>	<u>\$ 522,524</u>

Police Pension

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>		
		<u>Less than 1 year</u>	<u>1-5</u>	<u>6-10</u>
US government and agency securities	\$ 3,250,158	\$ 601,001	\$ 2,632,827	\$ 16,330
Corporate bonds	<u>1,413,411</u>	<u>406,148</u>	<u>201,141</u>	<u>806,122</u>
Totals	<u>\$ 4,663,569</u>	<u>\$ 1,007,149</u>	<u>\$ 2,833,968</u>	<u>\$ 822,452</u>

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated/ amortized				
Land	\$ 2,107,040	\$ 210,298	\$ -	\$ 2,317,338
Rights of way	5,557,297	-	-	5,557,297
Easements	42,000	-	-	42,000
Construction in progress	-	9,748	-	9,748
Total Capital Assets Not Being Depreciated/ Amortized	<u>7,706,337</u>	<u>220,046</u>	<u>-</u>	<u>7,926,383</u>
Capital assets being depreciated/ amortized				
Machinery and Equipment	\$ 320,467	\$ 45,459	\$ 610	\$ 365,316
Vehicles	1,521,816	109,986	85,805	1,545,997
Office furniture and equipment	577,093	54,458	-	631,551
Buildings and improvements	5,500,916	1,709,968	-	7,210,884
Streets	32,469,663	112,775	-	32,582,438
Levee	282,107	-	-	282,107
Bridges	34,354	-	-	34,354
Street lights	50,732	14,375	-	65,107
Sidewalks	379,979	-	-	379,979
Sanitary sewers	980,259	-	-	980,259
Storm sewers	4,759,831	703,755	-	5,463,586
Total Capital Assets Being Depreciated/ Amortized	<u>46,877,217</u>	<u>2,750,776</u>	<u>86,415</u>	<u>49,541,578</u>
Total Capital Assets	<u>54,583,554</u>	<u>2,970,822</u>	<u>86,415</u>	<u>57,467,961</u>
Less: Accumulated depreciation/ amortization for				
Machinery and Equipment	(161,818)	(24,529)	610	(185,737)
Vehicles	(764,491)	(149,049)	85,805	(827,735)
Office furniture and equipment	(297,485)	(61,771)	-	(359,256)
Buildings and improvements	(1,411,267)	(234,088)	-	(1,645,355)
Streets	(16,599,359)	(917,863)	-	(17,517,222)
Levee	(28,210)	(5,642)	-	(33,852)
Bridges	(16,655)	(272)	-	(16,927)
Street lights	(28,188)	(1,015)	-	(29,203)
Sidewalks	(312,592)	(3,744)	-	(316,336)
Sanitary sewers	(853,226)	(22,964)	-	(876,190)
Storm sewers	(2,546,508)	(137,641)	-	(2,684,149)

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities (cont.)				
Less: Accumulated depreciation/ amortization for (cont.)				
Total Accumulated Depreciation/ Amortization	\$ (23,019,799)	\$ (1,558,578)	\$ 86,415	\$ (24,491,962)
Net Capital Assets Being Depreciated/ Amortized	<u>23,857,418</u>	<u>1,192,198</u>	<u>-</u>	<u>25,049,616</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/ Amortization	<u>\$ 31,563,755</u>	<u>\$ 1,412,244</u>	<u>\$ -</u>	<u>\$ 32,975,999</u>

Depreciation/amortization expense was charged to functions as follows:

Governmental Activities	
General government	\$ 174,551
Public safety	169,594
Public works	<u>1,214,433</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 1,558,578</u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated/ amortized				
Land	\$ 27,367	\$ -	\$ -	\$ 27,367
Easements	74,828	-	-	74,828
Total Capital Assets Not Being Depreciated/ Amortized	102,195	-	-	102,195
Capital assets being depreciated/ amortized				
Buildings and improvements	\$ 1,901,789	\$ -	\$ -	\$ 1,901,789
Vehicles	57,795	-	-	57,795
Water mains	4,417,245	-	-	4,417,245
Water reservoir	230,000	-	-	230,000
Office furniture and equipment	158,381	-	-	158,381
Machinery and equipment	49,900	-	-	49,900
Total Capital Assets Being Depreciated/Amortized	6,815,110	-	-	6,815,110
Total Capital Assets	6,917,305	-	-	6,917,305
Less: Accumulated depreciation/ amortization for				
Buildings and improvements	(871,926)	(46,254)	-	(918,180)
Vehicles	(17,338)	(5,780)	-	(23,118)
Water mains	(1,235,436)	(88,345)	-	(1,323,781)
Water reservoir	(138,000)	(4,600)	-	(142,600)
Office furniture and equipment	(158,381)	-	-	(158,381)
Machinery and equipment	(14,970)	(4,990)	-	(19,960)
Total Accumulated Depreciation/Amortization	(2,436,051)	(149,969)	-	(2,586,020)
Net Capital Assets Being Depreciated/Amortized	4,379,059	(149,969)	-	4,229,090
Business-type Capital Assets, Net of Accumulated Depreciation/ Amortization	\$ 4,481,254	\$ (149,969)	\$ -	\$ 4,331,285

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

Depreciation/amortization expense was charged to functions as follows:

Business-type Activities

Water	\$ 117,833
Parking	<u>32,136</u>
Total Business-type Activities Depreciation / Amortization Expense	<u><u>\$ 149,969</u></u>

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General	Water	\$ 3,980
Solid Waste	General	46,832
Tourism District	General	36,781
Palatine/Milwaukee TIF	General	13,387
DEA	General	<u>550</u>
Total - Fund Financial Statements		101,530
Less: Fund eliminations		<u>(97,550)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ 3,980</u></u>
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	<u>\$ 3,980</u>
Total Government-Wide Financial Statements		<u><u>\$ 3,980</u></u>

The principal purpose of these interfunds is to cover cash overdrafts. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The interfund receivables/payables are expected to be repaid within one year.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General	Special Service Area #1	\$ 92,355	\$ 92,355
General	Special Service Area #8	300,000	300,000
General	Parking	<u>446,623</u>	446,623
Total - Fund Financial Statements		838,978	
Less: Fund eliminations		<u>(392,355)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u><u>\$ 446,623</u></u>	
Receivable Fund	Payable Fund	Amount	
Governmental Activities	Business-type Activities	<u>\$ 446,623</u>	
Total Government-Wide Financial Statements		<u><u>\$ 446,623</u></u>	

The principal purpose of these advances is to cover cash overdrafts.

For the statement of net position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General	Motor Fuel Tax	\$ 241,300
General	Palatine/Milwaukee TIF	84,500
General	Tourism	464,433
General	SWANCC	100,000
General	Special Service Area #1	36,000
General	Special Service Area #2	38,000
General	Special Service Area #3	47,900
General	Special Service Area #4	37,100
General	Special Service Area #5	51,200
General	Special Service Area #6 Construction	51,900
General	Special Service Area #8	85,800
General	Road Construction	218,500
General	Water	189,000
General	Parking	<u>29,000</u>
Total - Fund Financial Statements		1,674,633
Less: Fund eliminations		<u>(1,456,633)</u>
Total Transfers - Government-Wide Statement of Activities		<u>\$ 218,000</u>
<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	<u>\$ 218,000</u>
Total Government-wide Financial Statements		<u>\$ 218,000</u>

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 21,165,000	\$ -	\$ 1,725,000	\$ 19,440,000	\$ 5,790,000
Palatine/Milwaukee TIF Note	1,765,000	-	400,000	1,365,000	420,000
Special service area bonds	2,340,000	-	100,000	2,240,000	110,000
Add/(Subtract) Deferred Amounts For (Discounts)/Premiums	<u>154,953</u>	<u>-</u>	<u>8,564</u>	<u>146,389</u>	<u>-</u>
Sub-totals	<u>25,424,953</u>	<u>-</u>	<u>2,233,564</u>	<u>23,191,389</u>	<u>6,320,000</u>
Other Liabilities					
Compensated absences	278,725	372,719	278,725	372,719	372,719
Other postemployment benefits	158,077	72,894	49,836	181,135	-
Net pension obligation	<u>1,593,864</u>	<u>641,516</u>	<u>671,436</u>	<u>1,563,944</u>	<u>-</u>
Total Other Liabilities	<u>2,030,666</u>	<u>1,087,129</u>	<u>999,997</u>	<u>2,117,798</u>	<u>372,719</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 27,455,619</u>	<u>\$ 1,087,129</u>	<u>\$ 3,233,561</u>	<u>\$ 25,309,187</u>	<u>\$ 6,692,719</u>
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	<u>\$ 665,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 615,000</u>	<u>\$ 50,000</u>
Other Liabilities					
Compensated absences	<u>1,791</u>	<u>8,333</u>	<u>1,791</u>	<u>8,333</u>	<u>8,333</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 666,791</u>	<u>\$ 8,333</u>	<u>\$ 51,791</u>	<u>\$ 623,333</u>	<u>\$ 58,333</u>

Estimated payments of compensated absences, net pension obligation and other post employment benefits obligation are not included in the debt service requirement schedules. The compensated absences liability, net pension obligation and other post employment benefits obligation attributable to governmental activities will be liquidated primarily by the General Fund. In the business-type activities, the obligations for the compensated absences will be repaid from the Water Fund.

The City is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the City. As of April 30, 2015, the statutory debt limit for the City was \$29,488,247, providing a debt margin of \$9,433,247.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>Governmental Activities</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>Balance</u>
<u>General Obligation Debt</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>April 30, 2015</u>
2008 General obligation debt	3/25/2008	12/15/2023	4.327%	\$ 2,045,000	\$ 1,375,000
2011A General obligation debt	6/29/2011	12/15/2026	2.5 - 4.0%	5,000,000	4,270,000
2011B Refunding general obligation debt	6/29/2011	12/15/2015	3.125%	5,430,000	4,700,000
2012 General obligation debt	2/28/2012	12/15/2026	2.0 - 2.5%	5,000,000	4,380,000
2013 General obligation debt	4/16/2013	12/15/2026	2.00% - 2.35%	5,000,000	<u>4,715,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 19,440,000</u>
<u>Business-type Activities</u>	<u>Date of</u>	<u>Final</u>	<u>Interest</u>	<u>Original</u>	<u>Balance</u>
<u>General Obligation Debt</u>	<u>Issue</u>	<u>Maturity</u>	<u>Rates</u>	<u>Indebtedness</u>	<u>April 30, 2015</u>
2010 General obligation debt	7/1/2010	12/15/2024	4.0 - 5.2%	\$ 800,000	<u>\$ 615,000</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 615,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Obligation Debt</u>		<u>General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 5,790,000	\$ 572,519	\$ 50,000	\$ 27,510
2017	1,110,000	376,581	55,000	25,510
2018	1,135,000	349,765	55,000	23,310
2019	1,165,000	320,757	55,000	21,110
2020	1,200,000	290,933	60,000	18,910
2021-2025	6,435,000	933,350	340,000	52,200
2026-2027	<u>2,605,000</u>	<u>115,501</u>	-	-
Totals	<u>\$ 19,440,000</u>	<u>\$ 2,959,406</u>	<u>\$ 615,000</u>	<u>\$ 168,550</u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Tax Increment Financing Bonds

Tax increment financing bonds are payable from incremental taxes derived from a separately created tax increment financing district.

Tax Increment Financing Bonds at April 30, 2015, consists of the following:

<u>Governmental Activities</u> Tax Increment Financing Bonds	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance April 30, 2015</u>
Palatine/Milwaukee TIF Notes	6/1/2004	12/1/2017	3.5 - 4.9%	\$ 5,225,000	\$ <u>1,365,000</u>
Total Governmental Activities Tax Increment Financing Bonds					\$ <u><u>1,365,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Tax Increment Financing Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 420,000	\$ 66,885
2017	445,000	46,305
2018	<u>500,000</u>	<u>24,500</u>
Totals	\$ <u><u>1,365,000</u></u>	\$ <u><u>137,690</u></u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Special Service Area Bonds

Special service area bonds have been issued to provide funds for water main capital construction and road capital improvements within the Lake Claire Special Service Area.

Special service area bonds at April 30, 2015, consist of the following:

<u>Governmental Activities</u> <u>Special Service Area Bonds</u>	<u>Date of</u> <u>Issue</u>	<u>Final</u> <u>Maturity</u>	<u>Interest</u> <u>Rates</u>	<u>Original</u> <u>Indebtedness</u>	<u>Balance</u> <u>April 30, 2015</u>
Special service area bonds	1/29/2009	12/15/2028	4 to 6.25%	\$ 2,800,000	<u>\$ 2,240,000</u>
Total Governmental Activities Special Service Area Bonds					<u><u>\$ 2,240,000</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities</u> <u>Special Service Area Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 110,000	\$ 129,753
2017	115,000	124,253
2018	120,000	118,503
2019	125,000	112,143
2020	135,000	105,518
2021-2025	800,000	405,803
2026-2029	<u>835,000</u>	<u>134,213</u>
Totals	<u>\$ 2,240,000</u>	<u>\$ 1,130,186</u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2015, include the following:

Nonspendable	
Major Funds	
General Fund	
Advance to other funds	\$ 838,978
Prepaid items	73,719
Sub-Total	<u>912,697</u>
Palatine/Milwaukee TIF Fund	
Prepaid items	108
Nonmajor Funds	
Prepaid items	35,525
Total	<u>\$ 948,330</u>
 Restricted	
Major	
General Fund	
Public safety	\$ 36,232
Palatine/Milwaukee TIF Fund	
Debt service	313,909
Road Construction Debt Fund	
Debt service	783,635
Nonmajor Funds	
Streets and highways	700,322
Tourism	696,364
Public safety	498,255
Special service area improvements	737,998
Debt service	188,804
Capital Projects	306,088
Sub-Total	<u>3,127,831</u>
Total	<u>\$ 4,261,607</u>
 Committed	
Major Fund	
General Fund	
Revenue stabilization	\$ 2,170,017
Nonmajor Funds	
Solid waste disposal	443,185
Total	<u>\$ 2,613,202</u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. FUND BALANCES (cont.)

Governmental Funds (cont.)

Assigned

Major Funds

General Fund

Capital purchases	\$ 4,440,154
-------------------	--------------

Debt Service	<u>2,950,000</u>
--------------	------------------

Sub-Total	<u>7,390,154</u>
-----------	------------------

Development Fund

Capital projects	<u>2,662,210</u>
------------------	------------------

Total	<u><u>\$ 10,052,364</u></u>
-------	-----------------------------

Unassigned

Major Funds

General fund	\$ 2,660,707
--------------	--------------

Special service area #8 special revenue fund	(148,721)
--	-----------

Nonmajor Funds

Special service area #1 special revenue fund	<u>(92,203)</u>
--	-----------------

Total	<u><u>\$ 2,419,783</u></u>
-------	----------------------------

G. RESTATEMENT OF NET POSITION

The April 30, 2014 net position for the Governmental Activities and Business-Type Activities has been restated to correct an error. The City had previously reported its investment in joint venture (Chicago Executive Airport) as a separate proprietary fund instead of an asset in governmental activities.

Governmental Activities Net Position - April 30, 2014 (as reported)	\$ 25,537,432
---	---------------

Add: Investment in joint venture	<u>46,584,437</u>
----------------------------------	-------------------

Net Position - April 30, 2014 (as restated)	<u><u>\$ 72,121,869</u></u>
---	-----------------------------

Net income of the prior year would have been increased (decreased) by	<u><u>\$ (365,947)</u></u>
---	----------------------------

Business-Type Activities Net Position - April 30, 2014 (as reported)	\$ 51,717,351
--	---------------

Less: Investment in joint venture	<u>(46,584,437)</u>
-----------------------------------	---------------------

Net Position - April 30, 2014 (as restated)	<u><u>\$ 5,132,914</u></u>
---	----------------------------

Net income of the prior year would have been increased (decreased) by	<u><u>\$ 365,947</u></u>
---	--------------------------

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. RESTATEMENT OF NET POSITION (cont.)

Airport Fund Net Position - April 30, 2014 (as reported)	\$ 46,584,437
Less: Investment in joint venture	<u>(46,584,437)</u>
Net Position - April 30, 2014 (as restated)	<u>\$ -</u>
Net income of the prior year would have been increased (decreased) by	<u>\$ 365,947</u>

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Plan Descriptions

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; and the Police Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. Effective January 1, 2011, IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months earnings during the last 10 years) of earnings for each year of credited service up to 15 years and 2% for each year thereafter. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service, or age 62 with 35 years of service are entitled to an annual retirement benefit as described above. 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 4.5% of their annual salary to IMRF. The City's required and actual contribution rate for 2014 was 13.48% of annual covered payroll.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

At April 30, 2015, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits	8
Terminated employees entitled to but not yet receiving benefits	15
Current employees	<u>8</u>
 Total	 <u><u>31</u></u>

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - 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 salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 - Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Police Pension (cont.)

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The costs of administering the Police Pension Plan are financed through investment earnings. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where past service cost for the Police Pension Plan is 90% by the year 2040. For the year ended April 30, 2015, the City's contribution was 39.49% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

Summary of Significant Accounting Policies

Police Pension Plan

Basis of Accounting. The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the plan are financed through interest earnings.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Net Pension Obligation (Asset)

The following is the net pension obligation (asset) calculation from the April 30, 2015 actuarial reports:

	Police Pension
Annual required contribution	\$ 630,932
Interest on net pension obligation	111,570
Adjustment to annual required contribution	<u>(100,986)</u>
Annual pension cost	641,516
Contributions made	<u>(671,436)</u>
Change in net pension obligation (asset)	(29,920)
Net pension obligation (asset), beginning of year	<u>1,593,864</u>
Net pension (asset), end of year	<u><u>\$ 1,563,944</u></u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial Assumptions - Annual Required Contribution

The annual required contribution for the current year above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2014	April 30, 2015
Contribution rates:		
Employer	13.48%	39.49%
Employee	4.50%	9.91%
Annual required contribution	\$176,006	\$630,932
Contributions made	\$176,006	\$671,436
Actuarial cost method	Entry-age normal 5 year smoothed market	Entry-age normal Market
Asset valuation method	Level percentage of payroll, closed	Level percentage of payroll
Amortization method	29 years	18 years
Amortization period		
Actuarial assumptions:		
Investment rate of return	7.50%	7.00%
	Compounded annually	Compounded annually
Projected salary increases	0.4 to 10%	5.50%
Inflation rate included	4.00%	2.50%
Cost-of-living adjustments	3.00%	3.00%

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2015	\$ 176,006	\$ 641,516
	2014	176,511	638,693
	2013	130,451	548,167
Contributions made	2015	\$ 176,006	\$ 671,436
	2014	176,511	619,990
	2013	130,451	692,342
Percentage of APC contributed	2015	100%	104.20%
	2014	100%	97.07%
	2013	100%	126.3%
Net pension obligation	2015	\$ -	\$ 1,563,944
	2013	-	1,593,864
	2014	-	1,575,161

Funded Status and Funding Progress

The City's actuarial value of plan assets for the current year and related information is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	December 31, 2014	April 30, 2015
Actuarial Valuation of Assets (a)	\$ 3,858,129	\$ 12,327,710
Actuarial Accrued Liability (AAL) - Entry Age (b)	\$ 5,024,940	\$ 19,887,404
Unfunded AAL (UAAL) (b - a)	\$ 1,166,811	\$ 7,559,694
Funded Ratio (a/b)	76.78 %	61.99 %
Covered Payroll (c)	1,305,681	1,910,410
UAAL as a Percentage of Covered Payroll ((b-a)/c)	89.36 %	395.71 %

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability

		Police Pension
Total pension liability	\$	19,887,404
Plan fiduciary net position	\$	12,327,713
City's net pension liability	\$	7,559,691
Plan fiduciary net position as a percentage of the total pension liability		61.99%

The schedule of changes in the employer's net position liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the Police Pension Fund.

Actuarial Assumptions - Total Pension Liability

The total pension liability for the current year above was determined by an actuarial valuation performed as of April 30, 2015, using the following actuarial methods and assumptions:

	Police Pension
Actuarial Valuation Date	April 30, 2015
Actuarial cost method	Entry-age normal
Asset valuation method	Market
Actuarial assumptions:	
Projected salary increases	5.50%
Inflation	2.50%
Interest rate	7.00%
Cost-of-living adjustments	3.00%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Discount Rate

Police Pension Plan

The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability calculated using the current discount rate as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<i>Police Pension Fund:</i>			
Discount rate	6.00%	7.00%	8.00%
Net pension liability	\$10,340,577	\$7,559,691	\$5,257,122

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool to provide coverage for losses from workers compensation and property and casualty. However, other risks, such as torts; errors and omission; and health care of its employees are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool

Illinois Counties Risk Management Trust (ICRMT)

The City participates in the Illinois Counties Risk Management Trust (ICRMT). Established in 1983, the ICRMT is a risk pooling program for workers compensation and property and casualty coverages for Illinois public entities.

Contributions are determined by the Executive Board based on factors including, but not limited to, the following: the claims experience, investment income, costs and expense of the ICRMT as a whole and each participant's own claims experience.

The City's liability is limited to those claims and losses within the scope of the coverages provided and the City is not responsible for the debts of or claims against any other participant.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

D. JOINT VENTURES

Solid Waste Agency of Northern Cook County (SWANCC)

The City is a member of the SWANCC, which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended, (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. The percentage share of the City, based on a formula contained in SWANCC's agreement, as of April 30, 2015, is 2.9445%. This percentage share is subject to change in future years based on the usage of the municipalities.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

The members form a contiguous geographic service area, which is located northwest of downtown Chicago. Under the Agency Agreement, additional members may join SWANCC, upon the approval of each member. SWANCC is governed by a Board of Directors which consists of one appointed Mayor or President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board. The Board determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules, and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or by the bylaws. Complete financial statements are available from the Solid Waste Agency of Northern Cook County, 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

The City has committed to pay its share of the annual operating costs and fixed costs of SWANCC. The City's share of dual costs is expected to be funded through the tipping fees paid by refuse haulers. The City began delivering refuse to SWANCC in May 1995. Present contract provisions transfer the cost burden to the waste hauler.

SWANCC has entered into solid waste disposal contracts with member municipalities. The contracts are irrevocable and may not be terminated or amended, except as provided in the contract. Each member is obligated, on a "take or pay" basis, to purchase or, in any event, to pay for a minimum annual cost of the system. The obligation of the City to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. Payments to SWANCC totaled \$399,029 for the year ended April 30, 2015. The City does not have an equity interest in SWANCC.

Chicago Executive Airport

The City is a member of the Chicago Executive Airport (the Airport), a proprietary joint venture, which consists of two municipalities. Chicago Executive Airport is a joint airport commission established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). Chicago Executive Airport is empowered under the Act to acquire, organize, operate, and maintain an airport to serve its members and other potential airport customers. Chicago Executive Airport is an intergovernmental cooperative created under Illinois law to allow the City of Prospect Heights, Illinois and the Village of Wheeling, Illinois (collectively referred to as member municipalities) joint ownership and administration of the Airport. Each member has a 50% share as of the date of this report.

The member municipalities have entered into agreements with the Federal Aviation Administration of the United States of America and the state of Illinois to sponsor projects for the acquisition and development of the Airport. Although assets are legally held in the name of the member municipalities, such assets are recorded in Chicago Executive Airport's financial statements to present the overall financial position and operations of the Airport. Airport revenues are solely restricted to funding airport development and airport maintenance expenses. The duration of the intergovernmental agreement shall be for the term of 20 years or the useful life of the Airport, whichever is longer, unless sooner terminated and dissolved by mutual agreement of the member municipalities or by operation of law.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Per the agreement, the City and the Village of Wheeling have an equal share of the assets of the Airport and at the termination of the agreement, the City and the Village of Wheeling shall dispose of all property acquired under the agreement. Therefore, the City has an ongoing financial (equity) interest in the Airport.

Chicago Executive Airport is governed by a Board of Directors, which consists of five members plus a Chairman. The Board establishes the policies of the Airport, reviews the performance of the Airport Manager, makes recommendations on the annual budget, approves bills, enters into contracts, makes recommendations on appointment, removal, or discipline of the Airport Manager, recommends changes to the intergovernmental agreement, recommends changes to the rules and regulations, recommends changes to the Airport Layout Plan, makes recommendations on private financing of Airport improvements, makes recommendations on rates and charges, and exercises all powers not reserved to the municipalities.

The powers reserved to the two municipalities are: appointment, discharge, and discipline of the Airport Manager, approval of the Airport Layout Plan, approval of any leases and contracts not in conformance with Airport rules and regulations, approval of any debt obligations, approval of the annual budget, approval of amendments to the intergovernmental agreement, and approval of land acquisition. The Board acts primarily in a "management" capacity.

Summary of Financial Information of Joint Venture

Summary of net position as of April 30, 2015:

Assets	
Current assets	\$ 3,184,720
Capital assets	<u>94,195,370</u>
Total Assets	<u>\$ 97,380,090</u>
Liabilities	
Current liabilities	\$ 924,465
Long-term liabilities	<u>4,007,163</u>
Total Liabilities	<u>\$ 4,931,628</u>
Net position	<u>\$ 92,448,462</u>

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

Summary of changes in net position for the year ended April 30, 2015:

Total revenues	\$ 3,951,630
Total expenses	<u>5,748,692</u>
Net income (loss) before capital contributions	(1,797,062)
Capital contributions	<u>1,221,412</u>
Change in net position	(575,650)
Net position, beginning of year	<u>93,024,112</u>
Net position, end of year	<u>\$ 92,448,462</u>

Complete financial statements are available from the Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois 60090. At April 30, 2015, the City's proportionate shares of equity and net loss were \$46,224,231 and \$(360,206), respectively. The City made no payments to the Airport for the year ended April 30, 2015.

E. OTHER POSTEMPLOYMENT BENEFITS

The City administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides coverage for eligible individuals through the City's group health insurance plan which covers both active and retired members. Benefit provisions are established through personnel policy guidelines and state that eligible retirees and their spouses contribute at established contribution rates. The Retiree Health Plan does not issue a publicly available financial report.

Contribution requirements are established through personnel policy guidelines and may be amended by the action of the governing body. Retired employees may continue in the group health insurance plan at their own expense in accordance with State and Federal requirements. The cost of coverage shall be at the same rate as is established for active employees. For fiscal year 2015, the City contributed \$49,836 to the plan.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	75,713
Interest on net OPEB obligation		6,323
Adjustment to annual required contribution		<u>(9,142)</u>
Annual OPEB cost		72,894
Contributions made		<u>(49,836)</u>
Increase in net OPEB obligation		23,058
Net OPEB Obligation - Beginning of Year		<u>158,077</u>
Net OPEB Obligation - End of Year	\$	<u><u>181,135</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2015	\$ 72,894	68.37%	\$ 181,135
April 30, 2014	41,946	48.84%	158,077
April 30, 2013	41,946	60.65%	136,618

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of May 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 1,178,108
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 1,178,108</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$3,055,780
UAAL as a percentage of covered payroll	38.6%

Actuarial valuations of an ongoing plan involve estimates for 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 annual required contributions 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 multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is 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 benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5%. Both rates include a 3% inflation assumption. The actuarial value of Retiree Health Plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three-year period. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at April 30, 2015, was 30 years.

CITY OF PROSPECT HEIGHTS

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2015

NOTE IV - OTHER INFORMATION (cont.)

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68.*
- Statement No. 72, *Fair Value Measurement and Application*
- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*
- Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- Statement No. 77, *Tax Abatement Disclosures*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,377,350	\$ 2,307,657	\$ 2,475,140	\$ 167,483
Intergovernmental	2,901,287	2,798,962	2,815,351	16,389
Licenses and permits	863,118	846,565	932,368	85,803
Fines, forfeitures and penalties	630,100	696,100	755,188	59,088
Charges for services	684,100	661,600	729,637	68,037
Investment income	123,046	123,046	(168,520)	(291,566)
Miscellaneous	<u>145,036</u>	<u>171,745</u>	<u>208,823</u>	<u>37,078</u>
Total Revenues	<u>7,724,037</u>	<u>7,605,675</u>	<u>7,747,987</u>	<u>142,312</u>
EXPENDITURES				
Current:				
General government	2,217,402	2,238,312	1,822,742	415,570
Public safety	4,351,095	4,398,948	4,403,818	(4,870)
Public works	968,434	1,073,600	1,078,239	(4,639)
Capital outlay	1,308,950	1,997,230	901,341	1,095,889
Debt Service				
Principal	120,000	120,000	120,000	-
Interest	<u>64,689</u>	<u>64,689</u>	<u>64,501</u>	<u>188</u>
Total Expenditures	<u>9,030,570</u>	<u>9,892,779</u>	<u>8,390,641</u>	<u>1,502,138</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,306,533)</u>	<u>(2,287,104)</u>	<u>(642,654)</u>	<u>1,644,450</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,421,933</u>	<u>1,673,633</u>	<u>1,674,633</u>	<u>1,000</u>
Total Other Financing Sources (Uses)	<u>1,421,933</u>	<u>1,673,633</u>	<u>1,674,633</u>	<u>1,000</u>
Net Change in Fund Balance	<u>\$ 115,400</u>	<u>\$ (613,471)</u>	1,031,979	<u>\$ 1,645,450</u>
FUND BALANCE - Beginning of Year			<u>12,137,828</u>	
FUND BALANCE - END OF YEAR			<u>\$ 13,169,807</u>	

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF PROSPECT HEIGHTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #8 - MAJOR SPECIAL REVENUE
FUND
For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 208,860	\$ 8,860
Investment income	-	-	155	155
Total Revenues	<u>200,000</u>	<u>200,000</u>	<u>209,015</u>	<u>9,015</u>
EXPENDITURES				
Current:				
Public works	33,340	33,615	13,470	20,145
Capital outlay	40,000	40,000	43,558	(3,558)
Debt Service				
Principal	100,000	100,000	-	100,000
Interest	<u>6,750</u>	<u>6,750</u>	<u>6,751</u>	<u>(1)</u>
Total Expenditures	<u>180,090</u>	<u>180,365</u>	<u>63,779</u>	<u>116,586</u>
Excess of revenues over expenditures	<u>19,910</u>	<u>19,635</u>	<u>145,236</u>	<u>125,601</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(74,900)</u>	<u>(92,800)</u>	<u>(85,800)</u>	<u>7,000</u>
Total Other Financing Sources (Uses)	<u>(74,900)</u>	<u>(92,800)</u>	<u>(85,800)</u>	<u>7,000</u>
Net Change in Fund Balance	<u>\$ (54,990)</u>	<u>\$ (73,165)</u>	59,436	<u>\$ 132,601</u>
FUND BALANCE (DEFICIT) - Beginning of Year			<u>(208,157)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (148,721)</u>	

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF PROSPECT HEIGHTS

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS As of and For the Year Ended April 30, 2015

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/15	\$ 176,006	100.00%	\$ -
4/30/14	176,511	100.00%	-
4/30/13	130,451	100.00%	-

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/14	\$ 3,858,129	\$ 5,024,940	\$ 1,166,811	76.78%	\$ 1,305,681	89.36%
12/31/13	3,568,474	4,512,069	943,595	79.09%	1,222,374	77.19%
12/31/12	3,312,526	4,361,799	1,049,273	75.94%	1,078,104	97.33%
12/31/11	2,938,328	3,884,956	946,628	75.63%	984,376	96.17%
12/31/10	3,161,352	4,013,292	851,940	78.77%	1,036,798	82.17%
12/31/09	3,599,565	4,227,855	628,290	85.14%	1,374,880	45.70%

Digest of Changes

Assumptions

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$4,657,036. On a market basis, the funded ratio would be 92.68%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	29 years
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	0.4% to 10.0%
Inflation factor	4.00%
Cost of living adjustments	3.00%

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF PROSPECT HEIGHTS

POLICE PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS As of and For the Year Ended April 30, 2015

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
4/30/15	\$ 630,932	103.91%	\$ 1,563,944
4/30/14	619,473	97.07%	1,593,864
4/30/13	523,093	132.35%	1,575,161
4/30/12	514,507	100.00%	1,719,336
4/30/11	673,805	98.18%	1,694,620
4/30/10	673,805	84.17%	1,572,308

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
4/30/15	\$ 12,327,710	\$19,887,404	\$ 7,559,694	61.99%	\$ 1,910,410	395.71%
4/30/14	11,518,328	18,285,345	6,767,017	62.99%	1,770,705	382.17%
4/30/13	10,301,987	17,183,347	6,881,360	59.95%	1,700,210	404.74%
4/30/12	9,299,272	15,512,792	6,213,520	59.95%	1,375,352	451.78%
4/30/11	9,113,752	14,503,335	5,389,583	62.84%	1,455,945	370.18%
4/30/10	6,131,914	12,718,113	6,586,199	48.21%	2,022,999	325.57%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	April 30, 2015
Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	5.50%
Inflation factor	2.50%
Cost of living adjustments	3.00%

See independent auditors' report and accompanying notes to required supplementary information.

CITY OF PROSPECT HEIGHTS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

As of and for the year ended April 30, 2015

	2015
Total pension liability	
Service cost	\$ 421,779
Interest	1,254,008
Differences between expected and actual experience	(477,794)
Changes of assumptions	1,145,952
Benefit payments, including refunds of member contributions	(741,886)
Net change in total pension liability	1,602,059
Total pension liability - beginning	18,285,345
Total pension liability - ending (a)	\$ 19,887,404
Plan fiduciary net position	
Employer contributions	\$ 671,436
Employee contributions	178,778
Net investment income	724,207
Benefit payments, including refunds of member contributions	(742,462)
Administration	(22,575)
Net change in plan fiduciary net position	809,384
Plan fiduciary net position - beginning	11,518,329
Plan fiduciary net position - ending (b)	\$ 12,327,713
City's net pension liability - ending (a) - (b)	\$ 7,559,691
Plan fiduciary net position as a percentage of the total pension liability	61.99%
Covered-employee payroll	\$ 1,910,410
City's net pension liability as a percentage of covered-employee payroll	395.71%

Notes to Schedule:

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF PROSPECT HEIGHTS

POLICE PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS As of and for the year ended April 30, 2015

	<u>2015</u>
Actuarially determined contribution	\$ 630,932
Contributions in relation to the actuarially determined contribution	671,436
Contribution deficiency (excess)	<u>\$ (40,504)</u>
Covered-employee payroll	\$ 1,910,410
Contributions as a percentage of covered-employee payroll	35.15%

Notes to Schedule:

- 1) The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.
- 2) Valuation date: Actuarially determined contributions are calculated as of April 30 of the current fiscal year.
- 3) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	5.50%
Investment rate of return	7.00%
Retirement age	50-70
Mortality	Mortality rates were based on the RP-2000 CHBCA Mortality Table

CITY OF PROSPECT HEIGHTS

POLICE PENSION FUND SCHEDULE OF INVESTMENT RETURNS As of and for the year ended April 30, 2015

2015

Annual money-weighted rate of return,
net of investment expense

6.62%

Notes to Schedule:

The City implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is not available.

CITY OF PROSPECT HEIGHTS

OTHER POSTEMPLOYMENT BENEFIT PLAN
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS
 As of and For the Year Ended April 30, 2015

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
4/30/15	\$ 75,713	65.8 %
4/30/14	41,673	48.8
4/30/13	41,673	61.0
4/30/12	41,810	31.3
4/30/11	318,769	19.2

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
4/30/15	\$ -	\$ 1,178,108	\$ 1,178,108	0%	\$ 3,055,780	39%
4/30/12	-	1,012,861	1,012,861	0%	2,321,945	44%
4/30/09	-	3,205,477	3,205,477	0%	2,993,051	107%

The City is required to present the above information for the three most recent actuarial studies. The study completed as of April 30, 2009 was the first study performed for the City.

Change in Assumptions

The change in City's unfunded actuarial accrued OPEB liability is due to the reduction of the percentage of active employees assumed to elect benefit reduced to 20% to better align with the City's experience.

CITY OF PROSPECT HEIGHTS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2015

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL

For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
TAXES				
Property	\$ 306,750	\$ 306,750	\$ 313,461	\$ 6,711
Local use	285,000	285,000	335,284	50,284
Utility	1,009,000	924,649	1,059,104	134,455
Local sales tax	365,000	294,958	287,515	(7,443)
Places for eating	297,000	307,000	302,612	(4,388)
Other	<u>114,600</u>	<u>189,300</u>	<u>177,164</u>	<u>(12,136)</u>
Total Taxes	<u>2,377,350</u>	<u>2,307,657</u>	<u>2,475,140</u>	<u>167,483</u>
INTERGOVERNMENTAL				
Income tax	1,540,000	1,540,000	1,637,723	97,723
Grants	75,157	85,079	114,499	29,420
State sales tax	1,132,000	1,028,728	924,209	(104,519)
Personal property replacement tax	1,630	1,630	1,802	172
Other	<u>152,500</u>	<u>143,525</u>	<u>137,118</u>	<u>(6,407)</u>
Total Intergovernmental	<u>2,901,287</u>	<u>2,798,962</u>	<u>2,815,351</u>	<u>16,389</u>
LICENSES AND PERMITS				
Vehicle stickers	703,350	686,350	764,058	77,708
Licenses	<u>159,768</u>	<u>160,215</u>	<u>168,310</u>	<u>8,095</u>
Total Licenses and permits	<u>863,118</u>	<u>846,565</u>	<u>932,368</u>	<u>85,803</u>
FINES, FORFEITURES AND PENALTIES				
Public safety fines and fees	<u>630,100</u>	<u>696,100</u>	<u>755,188</u>	<u>59,088</u>
Total Fines, forfeitures and penalties	<u>630,100</u>	<u>696,100</u>	<u>755,188</u>	<u>59,088</u>
CHARGES FOR SERVICE				
Franchise fees	260,500	291,500	327,483	35,983
Building revenue and fees	393,500	340,000	354,169	14,169
Public safety charges for service	<u>30,100</u>	<u>30,100</u>	<u>47,985</u>	<u>17,885</u>
Total Charges for service	<u>684,100</u>	<u>661,600</u>	<u>729,637</u>	<u>68,037</u>
INVESTMENT INCOME				
Investment income	<u>123,046</u>	<u>123,046</u>	<u>(168,520)</u>	<u>(291,566)</u>
Total Investment income	<u>123,046</u>	<u>123,046</u>	<u>(168,520)</u>	<u>(291,566)</u>
MISCELLANEOUS				
Reimbursable income	118,286	128,353	158,829	30,476
Miscellaneous	<u>26,750</u>	<u>43,392</u>	<u>49,994</u>	<u>6,602</u>
Total Miscellaneous	<u>145,036</u>	<u>171,745</u>	<u>208,823</u>	<u>37,078</u>
TOTAL REVENUES	<u>\$ 7,724,037</u>	<u>\$ 7,605,675</u>	<u>\$ 7,747,987</u>	<u>\$ 142,312</u>

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL

For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
City Council and Boards				
Salaries	\$ 16,260	\$ 16,260	\$ 12,105	\$ 4,155
Pension benefits	877	877	716	161
Professional services	3,500	3,500	558	2,942
Professional development	15,300	15,700	14,330	1,370
Other expenditures	<u>28,750</u>	<u>30,750</u>	<u>19,453</u>	<u>11,297</u>
Total City Council and Boards	<u>64,687</u>	<u>67,087</u>	<u>47,162</u>	<u>19,925</u>
Administration				
Salaries	380,862	378,597	333,638	44,959
Insurance benefits	65,372	41,601	36,088	5,513
Pension benefits	81,343	77,858	68,941	8,917
Professional services	343,390	548,390	451,014	97,376
Communications	45,100	56,100	50,893	5,207
Professional development	8,100	5,600	1,679	3,921
Service charges and fees	64,000	64,000	56,631	7,369
Other contractual services	65,350	65,450	48,509	16,941
General supplies	28,750	29,770	29,224	546
Printed materials	500	500	583	(83)
Other expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,227</u>	<u>1,273</u>
Total Administration	<u>1,085,267</u>	<u>1,270,366</u>	<u>1,078,427</u>	<u>191,939</u>
Engineering				
Salaries	19,635	19,962	20,432	(470)
Insurance benefits	7,151	6,922	6,924	(2)
Pension benefits	4,248	4,151	4,360	(209)
Professional services	103,000	103,000	56,593	46,407
Other contractual services	<u>330</u>	<u>330</u>	<u>299</u>	<u>31</u>
Total Engineering	<u>134,364</u>	<u>134,365</u>	<u>88,608</u>	<u>45,757</u>
Building Department				
Salaries	276,341	247,897	219,593	28,304
Insurance benefits	71,080	60,480	70,528	(10,048)
Pension benefits	59,791	51,547	47,629	3,918
Professional services	40,000	40,000	25,370	14,630
Communications	4,500	4,500	2,995	1,505
Professional development	3,550	3,550	925	2,625
Other contractual services	6,400	6,400	7,273	(873)
General supplies	5,000	5,000	2,138	2,862
Printed materials	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Building Department	<u>467,162</u>	<u>419,874</u>	<u>376,451</u>	<u>43,423</u>
Reimbursable Expenditures				
Insurance benefits	15,500	3,120	3,120	-
Professional services	20,000	20,000	20,000	-
General supplies	14,000	12,000	8,275	3,725
Other expenditures	<u>411,422</u>	<u>291,500</u>	<u>162,899</u>	<u>128,601</u>
Total Reimbursable Expenditures	<u>460,922</u>	<u>326,620</u>	<u>194,294</u>	<u>132,326</u>

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL

For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
Grant expense	\$ 5,000	\$ 20,000	\$ 37,800	\$ (17,800)
Total General Government	<u>2,217,402</u>	<u>2,238,312</u>	<u>1,822,742</u>	<u>415,570</u>
PUBLIC SAFETY				
Salaries	2,502,837	2,482,458	2,524,469	(42,011)
Insurance benefits	415,798	460,558	448,775	11,783
Pension benefits	743,068	768,688	759,486	9,202
Professional services	35,000	35,750	27,542	8,208
Communications	227,772	227,772	228,702	(930)
Professional development	59,264	59,264	54,279	4,985
Other contractual services	149,897	144,499	163,185	(18,686)
Maintenance supplies	15,025	15,025	13,968	1,057
General supplies	121,400	123,900	102,277	21,623
Non-printed materials	350	350	125	225
Other expenditures	-	-	30	(30)
Grants	80,684	80,684	80,980	(296)
Total Public Safety	<u>4,351,095</u>	<u>4,398,948</u>	<u>4,403,818</u>	<u>(4,870)</u>
PUBLIC WORKS				
Salaries	421,514	484,064	479,707	4,357
Insurance benefits	102,495	116,685	102,602	14,083
Pension benefits	88,875	98,751	101,123	(2,372)
Maintenance services	65,000	65,000	53,195	11,805
Professional services	96,000	112,000	145,778	(33,778)
Professional development	3,500	3,500	2,346	1,154
Service charges and fees	7,800	11,000	10,315	685
Other contractual services	50,250	49,600	57,198	(7,598)
Maintenance supplies	39,000	39,000	37,102	1,898
General supplies	94,000	94,000	88,873	5,127
Total Public Works	<u>968,434</u>	<u>1,073,600</u>	<u>1,078,239</u>	<u>(4,639)</u>
CAPITAL OUTLAY				
General administration	3,000	3,000	803	2,197
Public works	730,000	605,000	136,636	468,364
Public safety	397,950	447,950	413,903	34,047
Building and improvements	178,000	941,280	349,999	591,281
Total Capital outlay	<u>1,308,950</u>	<u>1,997,230</u>	<u>901,341</u>	<u>1,095,889</u>
DEBT SERVICE				
Principal	120,000	120,000	120,000	-
Interest	64,689	64,689	64,501	188
Total Debt Service	<u>184,689</u>	<u>184,689</u>	<u>184,501</u>	<u>188</u>
TOTAL EXPENDITURES	<u>\$ 9,030,570</u>	<u>\$ 9,892,779</u>	<u>\$ 8,390,641</u>	<u>\$ 1,502,138</u>

CITY OF PROSPECT HEIGHTS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2015

	Motor Fuel Tax	Tourism	DEA Seizure	SWANCC	Special Service Area #1	Special Service Area #2
ASSETS						
Cash and investments	\$ 681,008	\$ 597,984	\$ 499,960	\$ 349,531	\$ 2	\$ 22,397
Receivables (net)						
Property taxes	-	-	-	-	13,046	20,146
Intergovernmental	37,808	-	-	-	-	-
Accounts	-	68,124	-	46,822	-	-
Accrued interest	-	-	-	-	2	-
Prepaid items	-	-	659	34,638	46	30
Due from other funds	-	36,781	550	46,832	-	-
TOTAL ASSETS	<u>\$ 718,816</u>	<u>\$ 702,889</u>	<u>\$ 501,169</u>	<u>\$ 477,823</u>	<u>\$ 13,096</u>	<u>\$ 42,573</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 18,494	\$ 6,525	\$ 2,255	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-	92,355	-
Total Liabilities	<u>18,494</u>	<u>6,525</u>	<u>2,255</u>	<u>-</u>	<u>92,355</u>	<u>-</u>
Deferred Inflows of Resources						
Property taxes levied for future periods	-	-	-	-	12,898	19,657
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,898</u>	<u>19,657</u>
Fund Balances						
Nonspendable	-	-	659	34,638	46	30
Restricted	700,322	696,364	498,255	-	-	22,886
Committed	-	-	-	443,185	-	-
Unassigned (Deficit)	-	-	-	-	(92,203)	-
Total Fund Balances	<u>700,322</u>	<u>696,364</u>	<u>498,914</u>	<u>477,823</u>	<u>(92,157)</u>	<u>22,916</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 718,816</u>	<u>\$ 702,889</u>	<u>\$ 501,169</u>	<u>\$ 477,823</u>	<u>\$ 13,096</u>	<u>\$ 42,573</u>

Special Service Area #3	Special Service Area #4	Special Service Area #5	Special Service Area #6 Debt	Special Service Area #6 Construction	Road Construction	Total Nonmajor Governmental Funds
\$ 398,148	\$ 18,603	\$ 270,816	\$ 186,880	\$ 28,443	\$ 377,660	\$ 3,431,432
12,091	27,811	3,746	118,952	-	-	195,792
-	-	-	-	-	-	37,808
-	-	-	-	-	-	114,946
-	-	-	-	-	-	2
124	17	11	-	-	-	35,525
-	-	-	-	-	-	84,163
<u>\$ 410,363</u>	<u>\$ 46,431</u>	<u>\$ 274,573</u>	<u>\$ 305,832</u>	<u>\$ 28,443</u>	<u>\$ 377,660</u>	<u>\$ 3,899,668</u>
\$ -	\$ -	\$ 1,297	\$ -	\$ -	\$ 71,572	\$ 100,143
-	-	-	-	-	-	92,355
-	-	1,297	-	-	71,572	192,498
11,734	27,811	3,704	117,028	-	-	192,832
11,734	27,811	3,704	117,028	-	-	192,832
124	17	11	-	-	-	35,525
398,505	18,603	269,561	188,804	28,443	306,088	3,127,831
-	-	-	-	-	-	443,185
-	-	-	-	-	-	(92,203)
<u>398,629</u>	<u>18,620</u>	<u>269,572</u>	<u>188,804</u>	<u>28,443</u>	<u>306,088</u>	<u>3,514,338</u>
<u>\$ 410,363</u>	<u>\$ 46,431</u>	<u>\$ 274,573</u>	<u>\$ 305,832</u>	<u>\$ 28,443</u>	<u>\$ 377,660</u>	<u>\$ 3,899,668</u>

CITY OF PROSPECT HEIGHTS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2015

	Motor Fuel Tax	Tourism	DEA Seizure	SWANCC	Special Service Area #1	Special Service Area #2
REVENUES						
Taxes	\$ -	\$ 776,817	\$ -	\$ -	\$ 23,566	\$ 40,017
Intergovernmental	489,832	-	255,723	-	-	-
Charges for services	-	-	-	562,104	-	-
Investment income	92	670	62	332	3	3
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>489,924</u>	<u>777,487</u>	<u>255,785</u>	<u>562,436</u>	<u>23,569</u>	<u>40,020</u>
EXPENDITURES						
Current						
General government	-	478,440	-	400,601	-	-
Public safety	-	-	20,186	-	-	-
Public works	84,331	-	-	-	1,384	1,211
Capital outlay	9,748	-	69,311	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>94,079</u>	<u>478,440</u>	<u>89,497</u>	<u>400,601</u>	<u>1,384</u>	<u>1,211</u>
Excess (deficiency) of revenues over expenditures	<u>395,845</u>	<u>299,047</u>	<u>166,288</u>	<u>161,835</u>	<u>22,185</u>	<u>38,809</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(241,300)</u>	<u>(464,433)</u>	<u>-</u>	<u>(100,000)</u>	<u>(36,000)</u>	<u>(38,000)</u>
Total Other Financing Sources (Uses)	<u>(241,300)</u>	<u>(464,433)</u>	<u>-</u>	<u>(100,000)</u>	<u>(36,000)</u>	<u>(38,000)</u>
Net Change in Fund Balances	154,545	(165,386)	166,288	61,835	(13,815)	809
FUND BALANCES (DEFICIT) - Beginning of Year	<u>545,777</u>	<u>861,750</u>	<u>332,626</u>	<u>415,988</u>	<u>(78,342)</u>	<u>22,107</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 700,322</u>	<u>\$ 696,364</u>	<u>\$ 498,914</u>	<u>\$ 477,823</u>	<u>\$ (92,157)</u>	<u>\$ 22,916</u>

Special Service Area #3	Special Service Area #4	Special Service Area #5	Special Service Area #6 Debt	Special Service Area #6 Construction	Road Construction	Total Nonmajor Governmental Funds
\$ 20,741	\$ 31,585	\$ 6,395	\$ 252,570	\$ -	\$ -	\$ 1,151,691
-	-	-	-	-	-	745,555
-	-	-	-	-	-	562,104
59	3	43	22	8	247	1,544
-	-	-	-	-	100,000	100,000
<u>20,800</u>	<u>31,588</u>	<u>6,438</u>	<u>252,592</u>	<u>8</u>	<u>100,247</u>	<u>2,560,894</u>
-	-	-	-	-	-	879,041
-	-	-	-	-	-	20,186
2,338	1,824	11,335	-	1,710	-	104,133
-	-	-	-	-	777,673	856,732
-	-	-	100,000	-	-	100,000
-	-	-	135,202	-	-	135,202
<u>2,338</u>	<u>1,824</u>	<u>11,335</u>	<u>235,202</u>	<u>1,710</u>	<u>777,673</u>	<u>2,095,294</u>
<u>18,462</u>	<u>29,764</u>	<u>(4,897)</u>	<u>17,390</u>	<u>(1,702)</u>	<u>(677,426)</u>	<u>465,600</u>
<u>(47,900)</u>	<u>(37,100)</u>	<u>(51,200)</u>	<u>-</u>	<u>(51,900)</u>	<u>(218,500)</u>	<u>(1,286,333)</u>
<u>(47,900)</u>	<u>(37,100)</u>	<u>(51,200)</u>	<u>-</u>	<u>(51,900)</u>	<u>(218,500)</u>	<u>(1,286,333)</u>
(29,438)	(7,336)	(56,097)	17,390	(53,602)	(895,926)	(820,733)
<u>428,067</u>	<u>25,956</u>	<u>325,669</u>	<u>171,414</u>	<u>82,045</u>	<u>1,202,014</u>	<u>4,335,071</u>
<u>\$ 398,629</u>	<u>\$ 18,620</u>	<u>\$ 269,572</u>	<u>\$ 188,804</u>	<u>\$ 28,443</u>	<u>\$ 306,088</u>	<u>\$ 3,514,338</u>

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX - NONMAJOR SPECIAL REVENUE FUND
For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Motor fuel tax	\$ 386,080	\$ 460,257	\$ 484,928	\$ 24,671
Grants	-	-	4,904	4,904
Investment income	60	60	92	32
Total Revenues	<u>386,140</u>	<u>460,317</u>	<u>489,924</u>	<u>29,607</u>
EXPENDITURES				
PUBLIC WORKS				
Ice control maintenance	76,500	50,000	45,760	4,240
Miscellaneous	<u>30,000</u>	<u>43,000</u>	<u>38,571</u>	<u>4,429</u>
Total public works	<u>106,500</u>	<u>93,000</u>	<u>84,331</u>	<u>8,669</u>
CAPITAL OUTLAY				
Capital outlay	<u>250,000</u>	<u>250,000</u>	<u>9,748</u>	<u>240,252</u>
Total Expenditures	<u>356,500</u>	<u>343,000</u>	<u>94,079</u>	<u>248,921</u>
Excess of revenues over expenditures	<u>29,640</u>	<u>117,317</u>	<u>395,845</u>	<u>278,528</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(228,400)</u>	<u>(249,200)</u>	<u>(241,300)</u>	<u>7,900</u>
Total Other Financing Sources (Uses)	<u>(228,400)</u>	<u>(249,200)</u>	<u>(241,300)</u>	<u>7,900</u>
Net Change in Fund Balance	<u>\$ (198,760)</u>	<u>\$ (131,883)</u>	154,545	<u>\$ 286,428</u>
FUND BALANCE - Beginning of Year			<u>545,777</u>	
FUND BALANCE - END OF YEAR			<u>\$ 700,322</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - TOURISM - NONMAJOR SPECIAL REVENUE FUND
For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Hotel	\$ 700,000	\$ 700,000	\$ 776,817	\$ 76,817
Investment income	348	348	670	322
Total Revenues	<u>700,348</u>	<u>700,348</u>	<u>777,487</u>	<u>77,139</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Professional services	157,856	148,911	45,587	103,324
Professional development	84,725	84,725	63,000	21,725
Other expenditures	<u>398,121</u>	<u>398,121</u>	<u>369,853</u>	<u>28,268</u>
Total General Government	<u>640,702</u>	<u>631,757</u>	<u>478,440</u>	<u>153,317</u>
Total Expenditures	<u>640,702</u>	<u>631,757</u>	<u>478,440</u>	<u>153,317</u>
Excess of revenues over expenditures	<u>59,646</u>	<u>68,591</u>	<u>299,047</u>	<u>230,456</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(463,533)</u>	<u>(464,633)</u>	<u>(464,433)</u>	<u>200</u>
Total Other Financing Sources (Uses)	<u>(463,533)</u>	<u>(464,633)</u>	<u>(464,433)</u>	<u>200</u>
Net Change in Fund Balance	<u>\$ (403,887)</u>	<u>\$ (396,042)</u>	(165,386)	<u>\$ 230,656</u>
FUND BALANCE - Beginning of Year			<u>861,750</u>	
FUND BALANCE - END OF YEAR			<u>\$ 696,364</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - DEA SEIZURE - NONMAJOR SPECIAL REVENUE FUND
For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 255,723	\$ 255,723
Investment income	-	-	62	62
Total Revenues	<u>-</u>	<u>-</u>	<u>255,785</u>	<u>255,785</u>
EXPENDITURES				
PUBLIC SAFETY				
Salaries	20,000	20,000	-	20,000
Professional services	730	1,000	999	1
Professional development	9,000	9,000	5,351	3,649
General supplies	<u>12,500</u>	<u>17,500</u>	<u>13,836</u>	<u>3,664</u>
Total Public Safety	<u>42,230</u>	<u>47,500</u>	<u>20,186</u>	<u>27,314</u>
CAPITAL OUTLAY				
Capital outlay	<u>25,200</u>	<u>75,200</u>	<u>69,311</u>	<u>5,889</u>
Total Expenditures	<u>67,430</u>	<u>122,700</u>	<u>89,497</u>	<u>33,203</u>
Net Change in Fund Balance	<u>\$ (67,430)</u>	<u>\$ (122,700)</u>	166,288	<u>\$ 288,988</u>
FUND BALANCE - Beginning of Year			<u>332,626</u>	
FUND BALANCE - END OF YEAR			<u>\$ 498,914</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - SWANCC - NONMAJOR SPECIAL REVENUE FUND
For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for service	\$ 567,100	\$ 567,100	\$ 562,104	\$ (4,996)
Investment income	191	191	332	141
Total Revenues	<u>567,291</u>	<u>567,291</u>	<u>562,436</u>	<u>(4,855)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Administration				
Service charges and fees	<u>456,600</u>	<u>456,600</u>	<u>399,029</u>	<u>57,571</u>
City Council and Boards				
Professional services	<u>790</u>	<u>1,040</u>	<u>1,572</u>	<u>(532)</u>
Total General Government	<u>457,390</u>	<u>457,640</u>	<u>400,601</u>	<u>57,039</u>
Total Expenditures	<u>457,390</u>	<u>457,640</u>	<u>400,601</u>	<u>57,039</u>
Excess of revenues over expenditures	<u>109,901</u>	<u>109,651</u>	<u>161,835</u>	<u>52,184</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(97,000)</u>	<u>(98,000)</u>	<u>(100,000)</u>	<u>(2,000)</u>
Total Other Financing Sources (Uses)	<u>(97,000)</u>	<u>(98,000)</u>	<u>(100,000)</u>	<u>(2,000)</u>
Net Change in Fund Balance	<u>\$ 12,901</u>	<u>\$ 11,651</u>	61,835	<u>\$ 50,184</u>
FUND BALANCE - Beginning of Year			<u>415,988</u>	
FUND BALANCE - END OF YEAR			<u>\$ 477,823</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #1 - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 35,000	\$ 35,000	\$ 23,566	\$ (11,434)
Investment income	-	-	3	3
Total Revenues	<u>35,000</u>	<u>35,000</u>	<u>23,569</u>	<u>(11,431)</u>
EXPENDITURES				
PUBLIC WORKS				
Professional services	1,140	1,415	914	501
Other contractual services	<u>550</u>	<u>475</u>	<u>470</u>	<u>5</u>
Total Public Works	<u>1,690</u>	<u>1,890</u>	<u>1,384</u>	<u>506</u>
Total Expenditures	<u>1,690</u>	<u>1,890</u>	<u>1,384</u>	<u>506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,310</u>	<u>33,110</u>	<u>22,185</u>	<u>(10,925)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(37,100)</u>	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(37,100)</u>	<u>(36,000)</u>	<u>(36,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (3,790)</u>	<u>\$ (2,890)</u>	(13,815)	<u>\$ (10,925)</u>
FUND BALANCE - (DEFICIT) Beginning of Year			<u>(78,342)</u>	
FUND BALANCE (DEFICIT) - END OF YEAR			<u>\$ (92,157)</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #2 - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 50,000	\$ 50,000	\$ 40,017	\$ (9,983)
Investment income	-	2	3	1
Total Revenues	50,000	50,002	40,020	(9,982)
EXPENDITURES				
PUBLIC WORKS				
Professional services	1,110	1,400	898	502
Other contractual services	440	320	313	7
Total Public Works	1,550	1,720	1,211	509
Total Expenditures	1,550	1,720	1,211	509
Excess (deficiency) of revenues over (under) expenditures	48,450	48,282	38,809	(9,473)
OTHER FINANCING SOURCES (USES)				
Transfers out	(40,400)	(38,100)	(38,000)	100
Total Other Financing Sources (Uses)	(40,400)	(38,100)	(38,000)	100
Net Change in Fund Balance	\$ 8,050	\$ 10,182	809	\$ (9,373)
FUND BALANCE (DEFICIT) - Beginning of Year			22,107	
FUND BALANCE - END OF YEAR			\$ 22,916	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #3 - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 20,000	\$ 20,000	\$ 20,741	\$ 741
Investment income	439	439	59	(380)
Miscellaneous	21	-	-	-
Total Revenues	<u>20,460</u>	<u>20,439</u>	<u>20,800</u>	<u>361</u>
EXPENDITURES				
PUBLIC WORKS				
Professional services	1,270	1,530	1,026	504
Other contractual services	1,430	1,275	1,275	-
Other	-	-	37	(37)
Total Public Works	<u>2,700</u>	<u>2,805</u>	<u>2,338</u>	<u>467</u>
Total Expenditures	<u>2,700</u>	<u>2,805</u>	<u>2,338</u>	<u>467</u>
Excess of revenues over expenditures	<u>17,760</u>	<u>17,634</u>	<u>18,462</u>	<u>828</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(48,400)</u>	<u>(45,900)</u>	<u>(47,900)</u>	<u>(2,000)</u>
Total Other Financing Sources (Uses)	<u>(48,400)</u>	<u>(45,900)</u>	<u>(47,900)</u>	<u>(2,000)</u>
Net Change in Fund Balance	<u>\$ (30,640)</u>	<u>\$ (28,266)</u>	(29,438)	<u>\$ (1,172)</u>
FUND BALANCE - Beginning of Year			<u>428,067</u>	
FUND BALANCE - END OF YEAR			<u>\$ 398,629</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #4 - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 37,000	\$ 37,000	\$ 31,585	\$ (5,415)
Investment income	21	2	3	1
Total Revenues	<u>37,021</u>	<u>37,002</u>	<u>31,588</u>	<u>(5,414)</u>
EXPENDITURES				
PUBLIC WORKS				
Professional services	1,620	1,910	900	1,010
Other contractual services	220	220	179	41
Other	-	-	745	(745)
Total Public Works	<u>1,840</u>	<u>2,130</u>	<u>1,824</u>	<u>306</u>
Total Expenditures	<u>1,840</u>	<u>2,130</u>	<u>1,824</u>	<u>306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>35,181</u>	<u>34,872</u>	<u>29,764</u>	<u>(5,108)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(37,900)</u>	<u>(36,600)</u>	<u>(37,100)</u>	<u>(500)</u>
Total Other Financing Sources (Uses)	<u>(37,900)</u>	<u>(36,600)</u>	<u>(37,100)</u>	<u>(500)</u>
Net Change in Fund Balance	<u>\$ (2,719)</u>	<u>\$ (1,728)</u>	(7,336)	<u>\$ (5,608)</u>
FUND BALANCE - Beginning of Year			<u>25,956</u>	
FUND BALANCE - END OF YEAR			<u>\$ 18,620</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #5 - NONMAJOR SPECIAL
 REVENUE FUND
 For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,500	\$ 5,500	\$ 6,395	\$ 895
Investment income	342	25	43	18
Total Revenues	5,842	5,525	6,438	913
EXPENDITURES				
PUBLIC WORKS				
Maintenance services	5,000	5,000	1,694	3,306
Professional services	10,800	11,035	9,064	1,971
Other contractual services	1,200	600	577	23
Total Public Works	17,000	16,635	11,335	5,300
Total Expenditures	17,000	16,635	11,335	5,300
Excess (deficiency) of revenues over (under) expenditures	(11,158)	(11,110)	(4,897)	6,213
OTHER FINANCING SOURCES (USES)				
Transfers out	(49,300)	(51,200)	(51,200)	-
Total Other Financing Sources (Uses)	(49,300)	(51,200)	(51,200)	-
Net Change in Fund Balance	\$ (60,458)	\$ (62,310)	(56,097)	\$ 6,213
FUND BALANCE - Beginning of Year			325,669	
FUND BALANCE - END OF YEAR			\$ 269,572	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #6 DEBT - NONMAJOR DEBT
 SERVICE FUND
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 234,753	\$ 234,753	\$ 252,570	\$ 17,817
Investment income	25	25	22	(3)
Total Revenues	<u>234,778</u>	<u>234,778</u>	<u>252,592</u>	<u>17,814</u>
EXPENDITURES				
DEBT SERVICE				
Principal	100,000	100,000	100,000	-
Interest	<u>135,203</u>	<u>135,203</u>	<u>135,202</u>	<u>1</u>
Total Debt Service	<u>235,203</u>	<u>235,203</u>	<u>235,202</u>	<u>1</u>
Total Expenditures	<u>235,203</u>	<u>235,203</u>	<u>235,202</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ (425)</u>	<u>\$ (425)</u>	17,390	<u>\$ 17,815</u>
FUND BALANCE - Beginning of Year			<u>171,414</u>	
FUND BALANCE - END OF YEAR			<u>\$ 188,804</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL SERVICE AREA #6 CONSTRUCTION - NONMAJOR
 CAPITAL PROJECTS FUND
 For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 150	\$ 5	\$ 8	\$ 3
Total Revenues	150	5	8	3
EXPENDITURES				
PUBLIC WORKS				
Professional services	920	1,725	1,710	15
Total Expenditures	920	1,725	1,710	15
Excess (deficiency) of revenues over (under) expenditures	(770)	(1,720)	(1,702)	18
OTHER FINANCING SOURCES (USES)				
Transfers out	(51,000)	(52,000)	(51,900)	100
Total Other Financing Sources (Uses)	(51,000)	(52,000)	(51,900)	100
Net Change in Fund Balance	\$ (51,770)	\$ (53,720)	(53,602)	\$ 118
FUND BALANCE - Beginning of Year			82,045	
FUND BALANCE - END OF YEAR			\$ 28,443	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - ROAD CONSTRUCTION - NONMAJOR CAPITAL PROJECTS
 FUND
 For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment income	\$ 100	\$ 160	\$ 247	\$ 87
Miscellaneous	-	100,000	100,000	-
Total Revenues	100	100,160	100,247	87
EXPENDITURES				
CAPITAL OUTLAY				
Capital outlay	551,860	957,400	777,673	179,727
Total Expenditures	551,860	957,400	777,673	179,727
Excess (deficiency) of revenues over (under) expenditures	(551,760)	(857,240)	(677,426)	179,814
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(229,800)	(218,500)	11,300
Total Other Financing Sources (Uses)	-	(229,800)	(218,500)	11,300
Net Change in Fund Balance	\$ (551,760)	\$ (1,087,040)	(895,926)	\$ 191,114
FUND BALANCE - Beginning of Year			1,202,014	
FUND BALANCE - END OF YEAR			\$ 306,088	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - PALATINE/MILWAUKEE TIF - MAJOR DEBT SERVICE FUND
For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 714,688	\$ 405,774	\$ 437,087	\$ 31,313
Investment income	1,063	(600)	203	803
Grants	-	100,000	100,000	-
Total Revenues	<u>715,751</u>	<u>505,174</u>	<u>537,290</u>	<u>32,116</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Professional services	103,400	58,700	35,602	23,098
Service charges and fees	850	850	850	-
Other contractual services	600,000	200,000	199,609	391
Total General Government	<u>704,250</u>	<u>259,550</u>	<u>236,061</u>	<u>23,489</u>
DEBT SERVICE				
Principal	400,000	400,000	400,000	-
Interest	84,485	84,485	84,486	(1)
Total Debt Service	<u>484,485</u>	<u>484,485</u>	<u>484,486</u>	<u>(1)</u>
CAPITAL OUTLAY				
Capital outlay	1,500,000	1,500,000	1,337,021	162,979
Total Capital Outlay	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,337,021</u>	<u>162,979</u>
Total Expenditures	<u>2,688,735</u>	<u>2,244,035</u>	<u>2,057,568</u>	<u>186,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,972,984)</u>	<u>(1,738,861)</u>	<u>(1,520,278)</u>	<u>218,583</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(95,000)	(77,400)	(84,500)	(7,100)
Total Other Financing Sources (Uses)	<u>(95,000)</u>	<u>(77,400)</u>	<u>(84,500)</u>	<u>(7,100)</u>
Net Change in Fund Balance	<u>\$ (2,067,984)</u>	<u>\$ (1,816,261)</u>	<u>(1,604,778)</u>	<u>\$ 211,483</u>
FUND BALANCE - Beginning of Year			<u>1,918,795</u>	
FUND BALANCE - END OF YEAR			<u>\$ 314,017</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL - ROAD CONSTRUCTION DEBT - MAJOR DEBT SERVICE
 FUND
 For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
TAXES				
Property	\$ 1,302,806	\$ 1,302,806	\$ 1,538,316	\$ 235,510
Investment income	-	-	6	6
Total Revenues	<u>1,302,806</u>	<u>1,302,806</u>	<u>1,538,322</u>	<u>235,516</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Service charges and fees	<u>2,700</u>	<u>2,700</u>	<u>1,250</u>	<u>1,450</u>
Total General Government	<u>2,700</u>	<u>2,700</u>	<u>1,250</u>	<u>1,450</u>
DEBT SERVICE				
Principal	875,000	875,000	875,000	-
Interest	<u>427,806</u>	<u>427,806</u>	<u>427,806</u>	-
Total Debt Service	<u>1,302,806</u>	<u>1,302,806</u>	<u>1,302,806</u>	-
Total Expenditures	<u>1,305,506</u>	<u>1,305,506</u>	<u>1,304,056</u>	<u>1,450</u>
Net Change in Fund Balance	<u>\$ (2,700)</u>	<u>\$ (2,700)</u>	234,266	<u>\$ 236,966</u>
FUND BALANCE - Beginning of Year			<u>549,369</u>	
FUND BALANCE - END OF YEAR			<u>\$ 783,635</u>	

CITY OF PROSPECT HEIGHTS

DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - DEVELOPMENT - MAJOR CAPITAL PROJECTS FUND
For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment income	\$ 3	\$ 3	\$ 54	\$ 51
Miscellaneous	-	57,825	57,825	-
Gain on sales of fixed assets	-	1,424,932	577,432	(847,500)
Total Revenues	<u>3</u>	<u>1,482,760</u>	<u>635,311</u>	<u>(847,449)</u>
EXPENDITURES				
GENERAL GOVERNMENT				
Professional services	301,780	301,905	19,336	282,569
Service charges and fees	450	450	450	-
Other contractual services	33,900	19,100	19,037	63
Total General Government	<u>336,130</u>	<u>321,455</u>	<u>38,823</u>	<u>282,632</u>
DEBT SERVICE				
Principal	-	730,000	730,000	-
Interest	169,688	169,688	169,687	1
Total Debt Service	<u>169,688</u>	<u>899,688</u>	<u>899,687</u>	<u>1</u>
Total Expenditures	<u>505,818</u>	<u>1,221,143</u>	<u>938,510</u>	<u>282,633</u>
Net Change in Fund Balance	<u>\$ (505,815)</u>	<u>\$ 261,617</u>	(303,199)	<u>\$ (564,816)</u>
FUND BALANCE - Beginning of Year			<u>2,965,409</u>	
FUND BALANCE - END OF YEAR			<u>\$ 2,662,210</u>	

CITY OF PROSPECT HEIGHTS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL WATER - MAJOR ENTERPRISE FUND For the Year Ended April 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
OPERATING REVENUES				
Charges for service	\$ <u>788,602</u>	\$ <u>779,026</u>	\$ <u>770,827</u>	\$ <u>(8,199)</u>
Total Operating Revenues	<u>788,602</u>	<u>779,026</u>	<u>770,827</u>	<u>(8,199)</u>
OPERATING EXPENSES				
Operations and maintenance				
Salaries	75,998	76,436	86,655	(10,219)
Insurance benefits	23,071	23,071	24,326	(1,255)
Pension benefits	16,444	15,950	16,893	(943)
Maintenance services	40,400	40,400	16,697	23,703
Professional services	84,180	34,180	17,343	16,837
Communications	4,600	4,650	4,287	363
Professional development	4,050	4,050	2,626	1,424
Service charges and fees	313,810	272,500	235,772	36,728
Other contractual services	32,450	34,150	30,548	3,602
General supplies	14,500	14,500	8,814	5,686
Non-printed materials	-	-	635	(635)
Other	<u>1,500</u>	<u>1,500</u>	<u>601</u>	<u>899</u>
Total operations and maintenance	<u>611,003</u>	<u>521,387</u>	<u>445,197</u>	<u>76,190</u>
Depreciation expense	<u>115,000</u>	<u>117,833</u>	<u>117,833</u>	<u>-</u>
Total Operating Expenses	<u>726,003</u>	<u>639,220</u>	<u>563,030</u>	<u>76,190</u>
Operating Income	<u>62,599</u>	<u>139,806</u>	<u>207,797</u>	<u>67,991</u>
NON-OPERATING REVENUES (EXPENSES)				
Investment income	3,000	3,000	3,343	343
Miscellaneous	-	-	638	638
Debt service	<u>(29,510)</u>	<u>(29,510)</u>	<u>(29,511)</u>	<u>(1)</u>
Total Non-Operating Revenues (Expenses)	<u>(26,510)</u>	<u>(26,510)</u>	<u>(25,530)</u>	<u>980</u>
Net Income Before Transfers	<u>36,089</u>	<u>113,296</u>	<u>182,267</u>	<u>68,971</u>

CITY OF PROSPECT HEIGHTS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER - MAJOR ENTERPRISE FUND
For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TRANSFERS				
Transfers out	\$ <u>(175,000)</u>	\$ <u>(172,000)</u>	\$ <u>(189,000)</u>	\$ <u>(17,000)</u>
Net Transfers	<u>(175,000)</u>	<u>(172,000)</u>	<u>(189,000)</u>	<u>(17,000)</u>
 Change in net position	 \$ <u>(138,911)</u>	 \$ <u>(58,704)</u>	 (6,733)	 \$ <u>51,971</u>
 NET POSITION - Beginning of Year			 \$ <u>4,844,364</u>	
 NET POSITION - END OF YEAR			 \$ <u>4,837,631</u>	

CITY OF PROSPECT HEIGHTS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL PARKING - MAJOR ENTERPRISE FUND For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
OPERATING REVENUES				
Charges for services	\$ <u>58,000</u>	\$ <u>64,000</u>	\$ <u>69,066</u>	\$ <u>5,066</u>
Total Operating Revenues	<u>58,000</u>	<u>64,000</u>	<u>69,066</u>	<u>5,066</u>
OPERATING EXPENSES				
Operations and Maintenance				
Professional services	2,200	2,300	1,296	1,004
Service charges and fees	11,000	11,000	10,591	409
Other contractual services	24,063	24,063	21,641	2,422
Maintenance supplies	500	500	405	95
General supplies	2,000	2,000	1,203	797
Other	<u>105</u>	<u>105</u>	<u>280</u>	<u>(175)</u>
Total operations and maintenance	<u>39,868</u>	<u>39,968</u>	<u>35,416</u>	<u>4,552</u>
Depreciation expense	<u>32,136</u>	<u>32,136</u>	<u>32,136</u>	<u>-</u>
Total Operating Expenses	<u>72,004</u>	<u>72,104</u>	<u>67,552</u>	<u>4,552</u>
Operating (Loss)	<u>(14,004)</u>	<u>(8,104)</u>	<u>1,514</u>	<u>9,618</u>
NON-OPERATING REVENUES				
Investment income	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Net Income Before Transfers	<u>(14,004)</u>	<u>(8,104)</u>	<u>1,518</u>	<u>9,622</u>
TRANSFERS				
Transfers out	\$ <u>(24,000)</u>	\$ <u>(30,000)</u>	\$ <u>(29,000)</u>	\$ <u>1,000</u>
Net Transfers	<u>(24,000)</u>	<u>(30,000)</u>	<u>(29,000)</u>	<u>1,000</u>
Change in net position	\$ <u>(38,004)</u>	\$ <u>(38,104)</u>	(27,482)	\$ <u>10,622</u>
NET POSITION - Beginning of Year			<u>288,550</u>	
NET POSITION - END OF YEAR			<u>\$ <u>261,068</u></u>	

CITY OF PROSPECT HEIGHTS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FIDUCIARY NET POSITION - BUDGET AND
ACTUAL
POLICE - PENSION TRUST FUND
For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Additions				
Contributions				
Employer	\$ 638,057	\$ 663,243	\$ 671,436	\$ 8,193
Plan members	<u>167,675</u>	<u>164,586</u>	<u>178,778</u>	<u>14,192</u>
Total contributions	<u>805,732</u>	<u>827,829</u>	<u>850,214</u>	<u>22,385</u>
Investment Income				
Interest and dividends	243,574	243,574	233,120	(10,454)
Net appreciation (depreciation) in fair value of investments	<u>299,992</u>	<u>299,992</u>	<u>516,590</u>	<u>216,598</u>
Total investment income	543,566	543,566	749,710	206,144
Less Investment expense	<u>16,000</u>	<u>16,000</u>	<u>25,503</u>	<u>9,503</u>
Net investment income	<u>527,566</u>	<u>527,566</u>	<u>724,207</u>	<u>196,641</u>
Total additions	<u>1,333,298</u>	<u>1,355,395</u>	<u>1,574,421</u>	<u>219,026</u>
Deductions				
Professional fees	32,500	32,500	19,870	12,630
State filing fee	2,500	2,500	2,062	438
Other	2,500	2,500	643	1,857
Disability benefits	113,169	113,169	98,833	14,336
Pension benefits	180,061	180,061	186,315	(6,254)
Refunds of contributions	<u>-</u>	<u>300,000</u>	<u>457,314</u>	<u>(157,314)</u>
Total deductions	<u>330,730</u>	<u>630,730</u>	<u>765,037</u>	<u>(134,307)</u>
Change in net position	<u>\$ 1,002,568</u>	<u>\$ 724,665</u>	809,384	<u>\$ 84,719</u>
Net position, beginning of year			<u>11,518,329</u>	
Net position, end of year			<u>\$ 12,327,713</u>	

See accompanying notes to financial statements.

CITY OF PROSPECT HEIGHTS

PALATINE/MILWAUKEE TIF LOAN SERIES 2004
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 APRIL 30, 2015

Date of Contract: April 13, 2004
 Date of Maturity: December 1, 2017
 Amount of Contract: \$5,225,000
 Interest Rates: 4.40% to 4.90%
 Interest Dates: December 1 and June 1
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	Requirements		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 420,000	\$ 66,885	\$ 486,885
2017	445,000	46,305	491,305
2018	500,000	24,500	524,500
TOTAL	\$ 1,365,000	\$ 137,690	\$ 1,502,690

CITY OF PROSPECT HEIGHTS

GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2008
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 APRIL 30, 2015

Date of Contract: March 25, 2007
 Date of Maturity: December 15, 2023
 Amount of Contract: \$2,045,000
 Interest Rates: 4.327%
 Interest Dates: June 15 and December 15
 Payable to: Bank of America, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 130,000	\$ 59,496	\$ 189,496
2017	135,000	53,871	188,871
2018	140,000	48,030	188,030
2019	145,000	41,972	186,972
2020	150,000	35,698	185,698
2021	160,000	29,207	189,207
2022	165,000	22,284	187,284
2023	170,000	15,145	185,145
2024	180,000	7,789	187,789
TOTAL	\$ 1,375,000	\$ 313,492	\$ 1,688,492

CITY OF PROSPECT HEIGHTS

SPECIAL SERVICE AREA #6 BONDS SERIES 2009 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS APRIL 30, 2015

Date of Contract: January 29, 2009
 Date of Maturity: December 15, 2028
 Amount of Contract: \$2,800,000
 Interest Rates: 4.00% to 6.25%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 110,000	\$ 129,753	\$ 239,753
2017	115,000	124,253	239,253
2018	120,000	118,503	238,503
2019	125,000	112,143	237,143
2020	135,000	105,518	240,518
2021	140,000	98,363	238,363
2022	150,000	90,383	240,383
2023	160,000	81,833	241,833
2024	170,000	72,712	242,712
2025	180,000	62,512	242,512
2026	190,000	51,713	241,713
2027	200,000	40,313	240,313
2028	215,000	27,813	242,813
2029	230,000	14,374	244,374
TOTAL	\$ 2,240,000	\$ 1,130,186	\$ 3,370,186

CITY OF PROSPECT HEIGHTS

GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2010 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS APRIL 30, 2015

Date of Contract: July 1, 2010
 Date of Maturity: December 15, 2024
 Amount of Contract: \$800,000
 Interest Rates: 4.00% to 5.2%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 50,000	\$ 27,510	\$ 77,510
2017	55,000	25,510	80,510
2018	55,000	23,310	78,310
2019	55,000	21,110	76,110
2020	60,000	18,910	78,910
2021	60,000	16,390	76,390
2022	65,000	13,750	78,750
2023	70,000	10,760	80,760
2024	70,000	7,400	77,400
2025	75,000	3,900	78,900
TOTAL	\$ 615,000	\$ 168,550	\$ 783,550

CITY OF PROSPECT HEIGHTS

GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2011A
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 APRIL 30, 2015

Date of Contract:	June 29, 2011
Date of Maturity:	December 15, 2026
Amount of Contract:	\$5,000,000
Interest Rates:	2.5% to 4.0%
Interest Dates:	June 15 and December 15
Payable to:	U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 285,000	\$ 152,575	\$ 437,575
2017	295,000	145,450	440,450
2018	305,000	138,075	443,075
2019	315,000	128,924	443,924
2020	325,000	119,475	444,475
2021	340,000	108,100	448,100
2022	355,000	96,200	451,200
2023	370,000	82,000	452,000
2024	390,000	67,200	457,200
2025	410,000	51,600	461,600
2026	430,000	35,200	465,200
2027	450,000	18,000	468,000
TOTAL	\$ 4,270,000	\$ 1,142,799	\$ 5,412,799

CITY OF PROSPECT HEIGHTS

TAXABLE REFUNDING DEBT CERTIFICATES SERIES 2011B SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS APRIL 30, 2015

Date of Contract: June 29, 2011
Date of Maturity: December 15, 2015
Amount of Contract: \$5,430,000
Interest Rates: 3.125%
Interest Dates: June 15 and December 15
Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$ 4,700,000</u>	<u>\$ 169,688</u>	<u>\$ 4,869,688</u>
TOTAL	<u><u>\$ 4,700,000</u></u>	<u><u>\$ 169,689</u></u>	<u><u>\$ 4,869,689</u></u>

CITY OF PROSPECT HEIGHTS

GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2012
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
APRIL 30, 2015

Date of Contract: February 28, 2012
 Date of Maturity: December 15, 2026
 Amount of Contract: \$5,000,000
 Interest Rates: 2.0% to 2.5%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 315,000	\$ 93,828	\$ 408,828
2017	320,000	87,528	407,528
2018	325,000	81,128	406,128
2019	335,000	74,628	409,628
2020	345,000	67,928	412,928
2021	355,000	61,028	416,028
2022	365,000	53,928	418,928
2023	375,000	46,628	421,628
2024	390,000	39,128	429,128
2025	405,000	30,353	435,353
2026	415,000	20,835	435,835
2027	435,000	10,875	445,875
TOTAL	\$ 4,380,000	\$ 667,815	\$ 5,047,815

CITY OF PROSPECT HEIGHTS

GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2013
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
APRIL 30, 2015

Date of Contract: April 30, 2013
 Date of Maturity: December 15, 2026
 Amount of Contract: \$5,000,000
 Interest Rates: 2.0% to 2.5%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal Year</u>	<u>Requirements</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 360,000	\$ 96,933	\$ 456,933
2017	360,000	89,733	449,733
2018	365,000	82,533	447,533
2019	370,000	75,233	445,233
2020	380,000	67,833	447,833
2021	385,000	60,233	445,233
2022	390,000	52,533	442,533
2023	400,000	44,733	444,733
2024	410,000	36,733	446,733
2025	420,000	28,534	448,534
2026	430,000	20,134	450,134
2027	445,000	10,459	455,459
TOTAL	\$ 4,715,000	\$ 665,625	\$ 5,380,625

City of Prospect Heights

Index for Statistical Section
April 30, 2015

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

<u>Contents</u>	<u>Page (s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Schedule of Net Position - Last Ten Fiscal Years	122
Schedule of Changes in Net Position - Last Ten Fiscal Years	123-124
Program Revenues by Function/Program - Last Ten Years	125
Fund Balances - Governmental Funds - Last Ten Fiscal Years	126
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	127-128
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources.	
Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years	129
Assessed Value and Actual Value of Taxable Property - Last Ten Levy Years	130
Direct and Overlapping Property Tax Rates - Last Ten Levy Years	131-132
Principal Property Tax Payers - Current Year and Nine Years Ago	133
Sales Tax by Category - Last Ten Calendar Years	134
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	135
Property Tax Levies and Collections - Last Ten Levy Years	136
Property Tax Levies and Collections by Taxing Area - Last Ten Levy Years	137

(Continued)

City of Prospect Heights

Index for Statistical Section (Continued)

April 30, 2015

<u>Contents</u>	<u>Page (s)</u>
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	138
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	139
Direct and Overlapping Governmental Activities Debt	140
Legal Debt Margin Information - Last Ten Fiscal Years	141
Pledged-Revenue Coverage - Last Ten Fiscal Years	142
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic and Economic Statistics - Last Ten Calendar Years	143
Principal Employers - Current Year and Nine Years Ago	144
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
Full-time Equivalent City Government Employees by Function / Program - Last Ten Fiscal Years	145 146
Operating Indicators by Function / Program - Last Ten Fiscal Years	147
Capital Asset Statistics by Function / Program - Last Ten Fiscal Years	148

NOTE: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

(Concluded)

City of Prospect Heights

SCHEDULE OF NET POSITION Last Ten Fiscal Years

Fiscal Year Ended April 30th	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015**
Governmental activities										
Net investment in capital assets	\$ 20,725,620	\$ 19,093,542	\$ 20,236,294	\$ 17,827,678	\$ 17,505,641	\$ 16,968,210	\$ 16,599,408	\$ 15,382,392	\$ 14,535,816	\$ 16,150,710
Restricted	381,740	10,833,196	4,364,075	6,105,434	6,274,195	6,346,248	5,597,845	4,479,708	4,916,572	3,764,297
Unrestricted	(2,990,640)	(7,808,810)	(2,286,219)	(3,990,502)	(3,673,566)	(4,487,178)	(620,976)	2,714,558	6,085,044	54,085,418
Total governmental activities net position	\$ 18,116,720	\$ 22,117,928	\$ 22,314,150	\$ 19,942,610	\$ 20,106,270	\$ 18,827,280	\$ 21,576,277	\$ 22,576,658	\$ 25,537,432	\$ 74,000,425
Business-type activities										
Net investment in capital assets	\$ 2,183,941	\$ 2,088,380	\$ 2,008,657	\$ 3,807,860	\$ 3,828,488	\$ 4,016,858	\$ 4,009,527	\$ 3,916,223	\$ 3,816,254	\$ 3,716,285
Restricted	68,967	629,541	112,906	314,191	-	-	-	-	-	-
Unrestricted	45,469,493	50,217,528	47,347,812	46,499,023	47,750,069	47,716,056	47,992,223	48,245,908	47,901,097	1,382,414
Total business-type activities net position	\$ 47,722,401	\$ 52,935,449	\$ 49,469,375	\$ 50,621,074	\$ 51,578,557	\$ 51,732,914	\$ 52,001,750	\$ 52,162,131	\$ 51,717,351	\$ 5,098,699
Total City										
Net investment in capital assets	\$ 22,909,561	\$ 21,181,922	\$ 22,244,951	\$ 21,635,538	\$ 21,334,129	\$ 20,985,068	\$ 20,608,935	\$ 19,298,615	\$ 18,352,070	\$ 19,866,995
Restricted	450,707	11,462,737	4,476,981	6,419,625	6,274,195	6,346,248	5,597,845	4,479,708	4,916,572	3,764,297
Unrestricted	42,478,853	42,408,718	45,061,593	42,508,521	44,076,503	43,228,878	47,371,247	50,960,466	53,986,141	55,467,832
Total City net position	\$ 65,839,121	\$ 75,053,377	\$ 71,783,525	\$ 70,563,684	\$ 71,684,827	\$ 70,560,194	\$ 73,578,027	\$ 74,738,789	\$ 77,254,783	\$ 79,099,124

NOTE: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

* GASB No. 46 (effective for periods beginning after June 15, 2005) requires governments to disclose the portion of net position that is restricted for enabling legislation.

** The Joint Agreement in the Chicago Executive Airport was moved from inclusion as a separate Proprietary Fund to Governmental Activities in fiscal year 2015.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION Last Ten Fiscal Years

Fiscal Year Ended April 30th	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015**
Expenses										
Governmental activities:										
General government	\$ 2,981,986	\$ 3,750,986	\$ 2,732,192	\$ 3,304,442	\$ 3,030,035	\$ 2,860,587	\$ 2,412,558	\$ 2,827,609	\$ 3,015,194	\$ 3,308,818
Public safety	3,691,732	3,760,952	4,178,099	4,572,334	4,363,453	4,078,228	2,963,020	4,357,277	4,353,155	4,638,103
Public works	1,543,267	1,666,341	1,974,932	3,870,940	2,105,904	1,710,818	1,945,801	2,029,365	2,206,406	2,464,382
Interest on long-term debt	473,215	843,691	309,003	1,402,804	742,318	674,241	895,818	803,325	1,097,241	796,754
Total governmental activities expenses	8,690,200	10,021,970	9,194,226	13,150,520	10,241,710	9,323,874	8,217,197	10,017,576	10,671,996	11,208,057
Business-type activities:										
Water	492,534	353,117	388,808	532,353	510,322	1,287,921	600,174	650,693	634,627	592,541
Airport	-	-	618,055	799,271	-	266,657	-	-	365,947	-
Parking	95,726	92,788	88,190	74,485	75,231	64,618	48,259	60,603	83,334	67,552
Total business-type activities expenses	588,260	445,905	1,095,053	1,406,109	585,553	1,619,196	648,433	711,296	1,083,908	660,093
Total City expenses	\$ 9,278,460	\$ 10,467,875	\$ 10,289,279	\$ 14,556,629	\$ 10,827,263	\$ 10,943,070	\$ 8,865,630	\$ 10,728,872	\$ 11,755,904	\$ 11,868,150
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 730,300	\$ 951,312	\$ 966,243	\$ 1,476,152	\$ 1,884,664	\$ 1,908,177	\$ 2,047,787	\$ 2,126,829	\$ 2,364,357	\$ 2,182,833
Public safety	103,822	87,915	124,482	330,788	455,974	389,228	301,287	505,526	886,793	803,173
Operating grants and contributions	705,677	937,112	693,034	748,505	680,383	988,568	1,175,743	800,285	1,087,223	981,268
Capital grants and contributions	-	-	50,000	101,613	18,551	2,373	-	-	325,000	-
Total governmental activities program revenues	1,539,799	1,976,339	1,833,759	2,657,058	3,039,572	3,288,346	3,524,817	3,432,640	4,663,373	3,967,274
Business-type activities:										
Charges for services - water	369,447	434,643	441,032	516,240	588,885	761,883	710,576	795,663	780,288	770,827
Charges for services - parking	41,935	44,825	46,272	49,928	42,991	53,375	58,038	55,588	65,749	69,066
Capital grants and contributions	1,833,249	5,227,835	-	-	902,590	955,781	253,987	288,502	-	-
Total business-type activities program revenues	2,244,631	5,707,303	487,304	566,168	1,534,466	1,771,039	1,022,601	1,139,753	846,037	839,893
Total City program revenues	\$ 3,784,430	\$ 7,683,642	\$ 2,321,063	\$ 3,223,226	\$ 4,574,038	\$ 5,059,385	\$ 4,547,418	\$ 4,572,393	\$ 5,509,410	\$ 4,807,167

NOTE: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

** The Joint Agreement in the Chicago Executive Airport was moved from inclusion as a separate Proprietary Fund to Governmental Activities in fiscal year 2015.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

(Continued)

City of Prospect Heights
 SCHEDULE OF CHANGES IN NET POSITION
 Last Ten Fiscal Years

Fiscal Year Ended April 30th	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015**
Net (Expense)/Revenue										
Governmental activities	\$ (7,150,401)	\$ (8,045,631)	\$ (7,360,467)	\$ (10,493,462)	\$ (7,202,138)	\$ (6,035,528)	\$ (4,692,380)	\$ (6,584,936)	\$ (6,008,623)	\$ (7,240,783)
Business-type activities	1,656,371	5,261,398	(607,749)	(839,941)	948,913	151,843	374,168	428,457	(237,871)	179,800
Total government net expense	<u>\$ (5,494,030)</u>	<u>\$ (2,784,233)</u>	<u>\$ (7,968,216)</u>	<u>\$ (11,333,403)</u>	<u>\$ (6,253,225)</u>	<u>\$ (5,883,685)</u>	<u>\$ (4,318,212)</u>	<u>\$ (6,156,479)</u>	<u>\$ (6,246,494)</u>	<u>\$ (7,060,983)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,648,274	\$ 2,418,999	\$ 1,515,968	\$ 2,037,894	\$ 2,100,769	\$ 1,765,557	\$ 1,773,580	\$ 2,121,669	\$ 2,853,719	\$ 3,160,113
Local Sales and local use	1,264,205	546,532	521,432	320,799	282,990	466,376	547,969	540,258	568,819	445,284
Utility	1,710,251	1,768,784	1,671,439	1,481,378	1,289,898	1,214,510	1,228,521	1,142,928	1,135,095	1,059,104
Hotel occupancy tax	640,197	722,974	787,654	589,140	474,657	556,317	678,815	745,932	757,813	776,817
Places for eating tax	-	-	-	3,544	234,626	233,943	247,236	272,726	301,808	302,612
Other	29,890	32,561	32,343	38,120	39,904	33,272	13,037	83,521	145,210	177,164
Intergovernmental										
Income Tax	1,177,520	1,423,381	1,609,310	1,504,248	1,317,403	1,321,848	1,377,307	1,538,101	1,552,422	1,637,723
State Sales Tax	956,649	907,031	872,099	946,834	836,740	768,926	712,340	734,219	822,982	924,209
Other	1,009	1,097	2,619	1,773	1,606	2,871	3,504	2,491	527,304	138,920
Investment earnings	147,557	374,876	260,192	70,117	10,126	9,660	7,857	18,295	30,600	(166,558)
Insurance proceeds	-	1,681,190	190,834	360,224	-	-	524,837	-	-	-
Miscellaneous	664,548	395,290	214,394	810,105	839,343	188,606	191,679	113,280	63,423	228,725
Gain/(loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	577,432
Impairment of land held for resale	-	-	-	-	-	(1,816,589)	-	-	-	-
Net change of investment in joint venture	-	-	-	-	-	-	-	-	-	(360,206)
Transfers	58,972	59,612	68,800	43,723	11,845	11,241	134,695	271,897	210,202	218,000
Total governmental activities	<u>8,299,072</u>	<u>10,332,327</u>	<u>7,747,084</u>	<u>8,207,899</u>	<u>7,439,907</u>	<u>4,756,538</u>	<u>7,441,377</u>	<u>7,585,317</u>	<u>8,969,397</u>	<u>9,119,339</u>
Business-type activities:										
Investment earnings	2,858	10,813	10,678	10,858	4,179	3,126	3,496	3,786	3,293	3,347
Transfers	(58,972)	(59,612)	(68,800)	(43,723)	(11,845)	(11,241)	(134,695)	(271,897)	(210,202)	(218,000)
Miscellaneous	-	449	3,100	115,054	16,236	10,629	25,867	35	-	638
Total business-type activities	<u>(56,114)</u>	<u>(48,350)</u>	<u>(55,022)</u>	<u>82,189</u>	<u>8,570</u>	<u>2,514</u>	<u>(105,332)</u>	<u>(268,076)</u>	<u>(206,909)</u>	<u>(214,015)</u>
Total City	<u>\$ 8,242,958</u>	<u>\$ 10,283,977</u>	<u>\$ 7,692,062</u>	<u>\$ 8,290,088</u>	<u>\$ 7,448,477</u>	<u>\$ 4,759,052</u>	<u>\$ 7,336,045</u>	<u>\$ 7,317,241</u>	<u>\$ 8,762,488</u>	<u>\$ 8,905,324</u>
Governmental activities:										
Special item - cancellation of debt	\$ 9,375,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special item - sale of land held for resale	-	2,620,575	-	-	-	-	-	-	-	-
Extraordinary item - disaster loss	-	(906,063)	-	-	-	-	-	-	-	-
Business-type activities:										
Capital contributed	\$ -	\$ -	\$ -	\$ 1,909,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	10,523,671	4,001,208	386,617	(2,285,563)	237,769	(1,278,990)	2,748,997	1,000,381	2,960,774	1,878,556
Business-type activities	1,600,257	5,213,048	(662,771)	1,151,699	957,483	154,357	268,836	160,381	(444,780)	(34,215)
Total City	<u>\$ 12,123,928</u>	<u>\$ 9,214,256</u>	<u>\$ (276,154)</u>	<u>\$ (1,133,864)</u>	<u>\$ 1,195,252</u>	<u>\$ (1,124,633)</u>	<u>\$ 3,017,833</u>	<u>\$ 1,160,762</u>	<u>\$ 2,515,994</u>	<u>\$ 1,844,341</u>

(Concluded)

City of Prospect Heights

PROGRAM REVENUES BY FUNCTION / PROGRAM Last Ten Fiscal Years

Fiscal Year Ended April 30th	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015**
Function/Program										
Governmental activities:										
General government	\$ 931,773	\$ 1,293,139	\$ 1,145,805	\$ 1,737,037	\$ 2,049,179	\$ 2,041,741	\$ 2,400,820	\$ 2,348,316	\$ 2,510,429	\$ 2,314,047
Public safety	103,822	87,915	201,472	464,784	550,209	731,202	498,135	604,721	1,290,628	1,163,395
Public works	<u>504,204</u>	<u>504,163</u>	<u>486,482</u>	<u>455,237</u>	<u>440,184</u>	<u>515,403</u>	<u>625,862</u>	<u>479,603</u>	<u>862,316</u>	<u>489,832</u>
Subtotal governmental activities	<u>1,539,799</u>	<u>1,885,217</u>	<u>1,833,759</u>	<u>2,657,058</u>	<u>3,039,572</u>	<u>3,288,346</u>	<u>3,524,817</u>	<u>3,432,640</u>	<u>4,663,373</u>	<u>3,967,274</u>
Business-type activities:										
Water	369,447	434,643	441,032	516,240	588,885	1,717,664	710,576	795,663	780,288	770,827
Airport	1,833,249	5,227,835	-	-	902,590	-	253,987	288,502	-	-
Parking	<u>41,935</u>	<u>44,825</u>	<u>46,272</u>	<u>49,928</u>	<u>42,991</u>	<u>53,375</u>	<u>58,038</u>	<u>55,588</u>	<u>65,749</u>	<u>69,066</u>
Subtotal business-type activities	<u>2,244,631</u>	<u>5,707,303</u>	<u>487,304</u>	<u>566,168</u>	<u>1,534,466</u>	<u>1,771,039</u>	<u>1,022,601</u>	<u>1,139,753</u>	<u>846,037</u>	<u>839,893</u>
Total City	<u>\$ 3,784,430</u>	<u>\$ 7,592,520</u>	<u>\$ 2,321,063</u>	<u>\$ 3,223,226</u>	<u>\$ 4,574,038</u>	<u>\$ 5,059,385</u>	<u>\$ 4,547,418</u>	<u>\$ 4,572,393</u>	<u>\$ 5,509,410</u>	<u>\$ 4,807,167</u>

Note: The Statement of Activities provides a breakdown of charges for services, grants, and contributions.

** The Joint Agreement in the Chicago Executive Airport was moved from inclusion as a separate Proprietary Fund to Governmental Activities in fiscal year 2015.

NOTE: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years

Fiscal Year Ended April 30th	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 381,740	\$ 1,806,516	\$ 824,307	\$ 773,642	\$ 757,522	\$ 852,747	\$ -	\$ -	\$ -	\$ -
Unreserved	182,535	(328,375)	2,251,267	1,590,502	1,551,060	2,192,883	-	-	-	-
Nonspendable	-	-	-	-	-	-	571,418	581,238	1,006,087	912,697
Restricted	-	-	-	-	-	-	204,793	16,400	36,217	36,232
Committed	-	-	-	-	-	-	1,598,657	1,896,721	1,935,777	2,170,017
Assigned	-	-	-	-	-	-	160,984	207,071	7,276,612	7,390,154
Unassigned	-	-	-	-	-	-	3,660,530	5,839,621	1,883,135	2,660,707
Total General Fund	<u>564,275</u>	<u>1,478,141</u>	<u>3,075,574</u>	<u>2,364,144</u>	<u>2,308,582</u>	<u>3,045,630</u>	<u>6,196,382</u>	<u>8,541,051</u>	<u>12,137,828</u>	<u>13,169,807</u>
All other governmental funds										
Reserved	-	1,344,042	6,248,071	5,961,660	7,954,457	5,933,841	-	-	-	-
Unreserved, reported in:										
Special revenue funds	18,047,943	2,910,952	2,191,300	2,559,547	3,059,537	3,434,579	-	-	-	-
Debt service funds	-	6,522,299	1,069,290	2,027,091	-	-	-	-	-	-
Capital projects funds	(1,216,025)	679,693	(458,260)	185,411	261,512	259,171	-	-	-	-
Non-Spendable	-	-	-	-	-	-	-	36,314	34,229	35,633
Restricted	-	-	-	-	-	-	11,277,733	10,178,801	6,465,481	4,225,375
Committed	-	-	-	-	-	-	258,413	345,985	381,867	443,185
Assigned	-	-	-	-	-	-	3,482,838	3,449,314	2,965,409	2,662,210
Unassigned	-	-	-	-	-	-	(624,594)	(378,965)	(286,499)	(240,924)
Total all other governmental funds	<u>16,831,918</u>	<u>11,456,986</u>	<u>9,050,401</u>	<u>10,733,709</u>	<u>11,275,506</u>	<u>9,627,591</u>	<u>14,394,390</u>	<u>13,631,449</u>	<u>9,560,487</u>	<u>7,125,479</u>
Total	<u>\$ 17,396,193</u>	<u>\$ 12,935,127</u>	<u>\$ 12,125,975</u>	<u>\$ 13,097,853</u>	<u>\$ 13,584,088</u>	<u>\$ 12,673,221</u>	<u>\$ 20,590,772</u>	<u>\$ 22,172,500</u>	<u>\$ 21,698,315</u>	<u>\$ 20,295,286</u>

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years

Fiscal Year Ended April 30th	2006	2007	2008	2009
Revenues				
Taxes ⁽¹⁾	\$ 5,292,817	\$ 5,489,850	\$ 4,528,836	\$ 4,470,875
Intergovernmental ⁽²⁾	2,336,651	2,764,458	2,740,580	2,847,736
Licenses	356,564	507,320	450,572	475,530
Fines and forfeits	103,822	87,915	87,720	309,674
Charges for services	575,587	443,992	555,188	1,021,736
Interest income	147,557	374,876	260,192	70,117
Miscellaneous	447,067	383,842	214,394	810,105
Total revenues	9,260,065	10,052,253	8,837,482	10,005,773
Expenditures				
General government	3,083,155	3,773,146	2,414,024	3,212,292
Public safety	3,767,320	3,734,543	4,085,050	4,255,123
Public works	764,615	916,344	1,038,272	1,170,516
Capital outlay	53,350	2,178,240	3,203,202	2,969,541
Debt service				
Principal	-	10,126,082	595,000	7,253,228
Interest	648,215	843,691	309,003	1,023,517
Debt issuance costs	214,502	55,599	42,500	207,341
Total expenditures	8,531,157	21,627,645	11,687,051	20,091,558
Excess of revenues over (under) expenditures	728,908	(11,575,392)	(2,849,569)	(10,085,785)
Impairment of land held for resale	-	-	-	-
Other Financing Sources (Uses)				
Proceeds from borrowing	13,724,310	2,248,786	2,045,000	10,160,305
Proceeds from insurance recovery	-	1,681,190	190,834	360,224
Premium on GO Debt issued	-	-	-	-
Gain on sales of fixed assets	-	-	-	-
Transfers in	580,775	2,935,706	7,107,673	865,872
Transfers out	(521,803)	(2,876,094)	(7,038,873)	(822,149)
Total other financing sources (uses)	13,783,282	3,989,588	2,304,634	10,564,252
Special item				
Gain on sale of land	-	2,620,575	-	-
Net change in fund balances	\$ 14,512,190	\$ (4,965,229)	\$ (544,935)	\$ 478,467
Debt service as a percentage of noncapital expenditures	8.2%	57.2%	10.3%	50.2%

NOTE: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

(1) Taxes include property, local sales, use, utility, hotel, road and bridge, auto rental, and places for eating tax.

(2) Intergovernmental includes state sales tax, income tax, personal property replacement tax, Glenview shared Revenue, Motor Fuel, Grants, and DEA Seizure revenue. Note: 2004 sales tax amounts are included in the taxes line item

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

	2010	2011	2012	2013	2014	2015
\$	4,422,844	\$ 4,269,975	\$ 4,489,158	\$ 4,907,034	\$ 5,762,464	\$ 5,811,094
	2,414,499	2,569,183	3,112,744	2,853,609	4,168,859	3,660,906
	877,534	851,454	887,172	844,911	1,063,648	932,368
	432,094	376,583	256,814	467,308	849,736	755,188
	1,031,010	1,069,368	1,169,635	1,309,694	1,324,293	1,291,741
	10,126	9,660	7,857	18,295	30,600	(166,558)
	840,626	183,469	908,119	360,742	222,968	366,648
	<u>10,028,733</u>	<u>9,329,692</u>	<u>10,831,499</u>	<u>10,761,593</u>	<u>13,422,568</u>	<u>12,651,387</u>
	2,872,824	2,724,788	2,324,123	2,681,900	2,891,222	2,977,917
	3,962,324	3,744,385	3,347,253	4,015,241	4,164,469	4,424,004
	723,685	578,591	938,495	807,717	905,608	1,195,842
	844,958	12,428	5,001,238	5,328,497	4,099,039	3,138,652
	1,315,000	1,440,000	5,611,727	766,421	1,201,421	2,225,000
	483,734	450,422	1,367,351	903,898	845,196	888,433
	-	-	-	-	-	-
	<u>10,202,525</u>	<u>8,950,614</u>	<u>18,590,187</u>	<u>14,503,674</u>	<u>14,106,955</u>	<u>14,849,848</u>
	<u>(173,792)</u>	<u>379,078</u>	<u>(7,758,688)</u>	<u>(3,742,081)</u>	<u>(684,387)</u>	<u>(2,198,461)</u>
	-	1,816,589				
	282,107	-	15,541,544	5,000,000	-	-
	-	-	-	-	-	-
	-	-	-	51,912	-	-
	-	-	-	-	-	577,432
	1,120,214	600,760	2,010,488	2,486,746	2,140,433	1,674,633
	<u>(1,108,369)</u>	<u>(589,519)</u>	<u>(1,875,793)</u>	<u>(2,214,849)</u>	<u>(1,930,231)</u>	<u>(1,456,633)</u>
	<u>293,952</u>	<u>11,241</u>	<u>15,676,239</u>	<u>5,323,809</u>	<u>210,202</u>	<u>795,432</u>
	-	-	-	-	-	-
\$	<u>120,160</u>	<u>(1,426,270)</u>	<u>7,917,551</u>	<u>1,581,728</u>	<u>(474,185)</u>	<u>(1,403,029)</u>
	18.2%	21.3%	37.7%	17.7%	22.6%	31.8%

City of Prospect Heights

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS Last Ten Fiscal Years

Fiscal Year Ended April 30 th	Property	Income	(3) Local Use	State Sales	Non-Home Rule Sales(1)	Utility	Telecom	Motor Fuel	Hotel	Places for Eating (2)	Other (4)	Total
2006	1,648,274	1,177,520	174,195	907,031	182,979	824,245	886,006	504,204	640,197	-	30,899	6,975,550
2007	2,418,999	1,423,381	256,582	872,099	324,882	729,859	1,038,925	504,163	722,974	-	33,658	8,325,522
2008	1,515,968	1,609,310	142,526	946,834	304,171	778,801	892,638	486,482	787,654	-	34,962	7,499,346
2009	2,037,894	1,504,248	157,779	836,740	273,114	696,820	784,558	455,237	589,140	3,544	39,893	7,378,967
2010	2,100,769	1,317,403	99,599	768,926	251,205	596,655	693,243	440,184	474,657	234,626	41,510	7,018,777
2011	1,765,557	1,321,848	246,994	712,340	275,968	617,393	597,117	515,403	556,317	233,943	36,143	6,879,023
2012	1,773,580	1,377,307	255,873	734,219	270,217	565,924	662,597	482,202	678,815	247,236	16,514	7,064,484
2013	2,121,669	1,538,101	260,876	822,982	279,382	577,463	565,465	464,753	745,932	301,808	56,930	7,735,361
2014	2,853,719	1,552,422	285,205	822,982	283,614	622,567	512,528	537,316	757,813	301,808	638,478	9,168,452
2015	3,160,113	1,637,723	335,284	924,209	287,515	584,577	474,528	484,928	776,817	302,612	314,373	9,282,679

NOTE: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

- (1) The City enacted a non-home rule sales tax effective July 2005.
- (2) The City enacted the Places for Eating tax in February 2009.
- (3) The Local Use amount includes the state sales tax amount. The information to restate the financials is not available for FY2004.
- (4) Other includes Airport Sharing sales tax revenues with the Village of Wheeling

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
2005	\$ 313,756,231	\$ 94,974,972	\$ 34,664,069	\$ 3,003	\$ 443,398,275	\$ 0.047	\$ 1,331,526,351
2006	319,325,597	96,367,669	31,829,908	3,003	447,526,177	0.051	1,343,922,453
2007	386,195,129	112,283,291	30,575,423	3,003	529,056,846	0.045	1,588,759,297
2008	416,195,759	113,588,337	31,224,930	3,003	561,012,029	0.045	1,684,720,808
2009	441,921,457	87,412,853	28,234,883	1,877	557,571,070	0.046	1,674,387,598
2010	389,090,836	74,195,260	25,508,165	-	488,794,261	0.054	1,467,850,634
2011	440,623,173	59,082,360	19,118,359	-	440,623,173	0.162	1,323,192,712
2012	326,698,695	53,355,167	17,279,177	-	397,333,039	0.319	1,193,192,309
2013	259,301,835	55,630,818	16,778,346	-	331,710,999	0.498	996,129,126
2014	N/A	N/A	N/A	N/A	341,892,724	0.486	1,026,704,877

Note: Property is re-assessed every three years and is assessed at 33.33% of estimated actual value. Tax rates are per \$100 of equalized assessed valuation.

(1) Levy year 2014 detailed tax information is not available as the preparation of this report

N/A - Information not yet available.

Data Source

Cook County Tax Extension Office

City of Prospect Heights

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Levy Years*

Name of Taxing Entity/Levy Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
CITY DIRECT RATES										
Police Pension & Roads	\$ 0.047	\$ 0.051	\$ 0.045	\$ 0.045	\$ 0.046	\$ 0.054	\$ 0.162	\$ 0.319	\$ 0.498	\$ 0.486
TOTAL DIRECT RATES	\$ 0.047	\$ 0.051	\$ 0.045	\$ 0.045	\$ 0.046	\$ 0.054	\$ 0.162	\$ 0.319	\$ 0.498	\$ 0.486
OVERLAPPING RATES										
County of Cook	\$ 0.533	\$ 0.500	\$ 0.446	\$ 0.415	\$ 0.394	\$ 0.423	\$ 0.462	\$ 0.531	\$ 0.560	\$ 0.568
Forest Preserve District of Cook County	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069
Metropolitan Water Reclamation District	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430
Suburban T.B. Sanitarium	0.005	0.005	-	-	-	-	-	-	-	-
Consolidated Elections	0.014	-	0.012	-	0.021	-	0.025	-	0.031	-
Northfield Township - General	0.011	0.011	0.010	0.009	0.010	0.013	0.020	0.024	0.031	0.032
Northfield Township - General Assistance	0.008	0.008	0.008	0.009	0.010	0.011	0.008	0.009	0.008	0.007
Northfield Township - Road & Bridge	0.033	0.035	0.030	0.030	0.031	0.036	0.041	0.046	0.053	0.054
Wheeling Township - General	0.041	0.043	0.038	0.038	0.039	0.043	0.048	0.052	0.056	0.052
Wheeling Township - General Assistance	0.009	0.010	0.009	0.009	0.009	0.005	0.009	0.009	0.010	0.010
Wheeling Township - Road & Bridge	0.012	0.013	0.012	0.012	0.012	0.014	0.015	0.016	0.019	0.019
Northfield Woods Sanitary District	0.053	0.056	0.049	0.049	0.054	0.067	0.079	0.082	0.098	0.099
Old Town Sanitary District	0.071	0.074	0.039	0.015	0.015	0.017	0.020	0.023	0.028	0.028
Northwest Mosquito Abatement District	0.009	0.009	0.008	0.008	0.008	0.009	0.010	0.011	0.013	0.013
Arlington Heights Township High School #214	1.759	1.823	1.621	1.587	1.636	1.839	2.060	2.324	2.768	2.776
Northfield Township High School #225	1.475	1.623	1.403	1.383	1.395	1.609	1.819	2.028	2.341	2.367
Harper Community College District #512	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373	0.444	0.451
Oakton Community College District #535	0.158	0.166	0.141	0.140	0.140	0.160	0.196	0.219	0.256	0.258
Arlington Heights Park District	0.453	0.461	0.404	0.379	0.392	0.450	0.496	0.545	0.633	0.636
Prospect Heights Park District	0.640	0.658	0.561	0.544	0.523	0.595	0.661	0.746	0.856	0.884
River Trails Park District	0.480	0.484	0.428	0.422	0.433	0.510	0.553	0.632	0.747	0.748
Wheeling Park District	0.512	0.535	0.492	0.496	0.490	0.571	0.654	0.738	0.899	0.890

(Continued)

City of Prospect Heights

DIRECT AND OVERLAPPING PROPERTY TAX RATES Last Ten Levy Years

Name of Taxing Entity/Levy Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
OVERLAPPING RATES										
Prospect Heights Public Library District	\$ 0.410	\$ 0.433	\$ 0.340	\$ 0.337	\$ 0.343	\$ 0.387	\$ 0.437	\$ 0.489	\$ 0.489	\$ 0.597
Indian Trails Public Library District	0.312	0.320	0.297	0.308	0.307	0.347	0.393	0.463	0.463	0.529
Northbrook Rural Fire Protection District	0.565	0.586	0.503	0.501	0.552	0.632	0.700	0.700	0.700	0.800
Prospect Heights Fire Protection District	0.767	0.795	0.693	0.677	0.652	0.755	0.845	0.934	0.934	1.102
Glenbrook Fire District	0.484	0.530	0.470	0.470	0.522	0.658	0.703	0.713	0.713	0.796
City of Prospect Heights:										
Special Service Area #1	0.291	0.296	0.190	0.187	0.176	0.200	0.199	0.035	0.035	0.035
Special Service Area #2	0.678	0.692	0.233	0.229	0.229	0.262	0.268	0.895	0.895	0.911
Special Service Area #3	0.393	0.397	0.200	0.196	0.188	0.213	0.180	0.078	0.078	0.107
Special Service Area #4	0.245	0.256	0.189	0.208	0.191	0.239	0.256	0.664	0.664	0.909
Special Service Area #5	0.168	0.173	0.163	0.170	0.112	0.137	0.049	0.012	0.012	0.018
Special Service Area #6	-	-	-	0.958	0.906	0.984	1.065	1.174	1.174	1.449
Special Service Area #8	-	-	-	-	-	-	0.278	0.847	0.847	1.072
School District #21 - Wheeling	3.394	3.502	3.154	3.161	3.209	3.658	4.164	4.556	4.556	5.430
School District #23 - Prospect Heights	2.880	2.948	2.418	2.363	2.253	2.571	2.869	3.273	3.273	3.922
School District #25 - Arlington Heights	3.225	3.295	2.890	2.807	2.510	2.813	3.101	3.416	3.416	3.678
School District #26 - River Trails	2.880	3.047	2.698	2.696	2.703	3.131	3.458	3.873	3.873	3.873
School District #31 - West Northfield	1.542	1.624	1.405	1.402	1.494	1.730	2.018	2.525	2.525	2.911

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

Data Source

Cook County Tax Extension Office

(Concluded)

City of Prospect Heights

PRINCIPAL PROPERTY TAX PAYERS Current Year and Nine Years Ago

Taxpayer	At Fiscal Year End April 30, 2015			At Fiscal Year End April 30, 2006		
	2014 Taxable Assessed Value	Rank	Percentage of Total City 2014 Taxable Assessed Value	2005 Taxable Assessed Value	Rank	Percentage of Total City 2005 Taxable Assessed Value
	Jones Lang Lasalle				\$ 11,335,056	1
Frank S. Allgauer	\$ 2,851,995	1	17.81%	3,749,039	3	12.29%
Briarwood Lakes LP	2,674,995	2	16.70%	4,484,018	2	14.70%
CR Congress LLC	2,574,999	3	16.08%			
Bays Northbrook Hosp C	2,073,329	4	12.95%	3,053,430	4	10.01%
Palwaukee Plaza	1,543,262	5	9.64%	2,198,192	5	7.21%
HCP Inc.	1,130,114	6	7.06%			
Voss Bros	916,248	7	5.72%	1,009,997	8	3.31%
TDB Hospitality LLC				1,686,630	6	5.53%
Hawthorne Global Aviation	808,671	8	5.05%			0.00%
Signature Flight	751,250	9	4.69%	1,004,219	9	3.29%
Prime Care Seven LLC				1,110,855	7	3.64%
Eclipse Aeospace	691,338	10	4.32%			
The Radler Group LTD				869,794	10	2.85%
Total assessed valuation	\$ 16,016,201		100.00%	\$ 30,501,230		100.00%

Data Source

Cook County Tax Extension Office

City of Prospect Heights

SALES TAX BY CATEGORY

Last Ten Calendar Years ⁽¹⁾

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General merchandise ⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	107,807	117,040	130,081	101,964	106,410	121,171	152,351	133,768	144,027	357,378
Drinking and eating places	162,939	179,261	258,559	218,555	166,615	145,295	152,708	154,219	174,266	184,757
Apparel	41,062	33,454	26,387	20,217	10,995	6,661	6,380	6,416	-	-
Furniture and H.H. and radio	24,486	28,419	28,865	28,000	27,652	28,087	28,024	26,104	24,330	21,462
Lumber, building, hardware ⁽²⁾	-	-	-	6,412	5,158	10,862	10,067	10,028	11,654	10,290
Automobile and filling stations	119,276	131,520	116,800	113,253	86,444	91,788	97,985	94,981	114,943	150,517
Drugs and miscellaneous retail	200,533	203,064	208,103	215,253	176,769	205,095	210,793	216,589	202,437	174,312
Agriculture and all others	200,449	201,553	79,979	86,851	83,280	54,882	51,930	51,254	56,541	54,980
Manufacturers ⁽²⁾	7,411	4,559	4,371	-	-	-	-	-	6,486	1,889
Unclassified ⁽²⁾	12,459	13,461	14,408	15,046	14,945	15,816	19,442	18,075	18,710	14,534
TOTAL	\$ 876,422	\$ 912,331	\$ 867,553	\$ 805,551	\$ 678,268	\$ 679,656	\$ 729,680	\$ 711,434	\$ 753,394	\$ 970,118
CITY'S DIRECT SALES TAX RATE	1.00%									
NUMBER OF TAXPAYERS	363	386	375	304	292	276	269	292	288	286

Notes:

⁽¹⁾Data not available on a City fiscal-year basis. Data available for a calendar year only and

⁽²⁾Blank categories have less than 4 taxpayers; therefore, no data is shown to protect the confidentiality of individual taxpayers. Total sales tax revenues generated by these taxpayers is included in the total; therefore, it has been reported under the "Unclassified" category.

Data Source

Illinois Department of Revenue

City of Prospect Heights

DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Fiscal Years

Fiscal Year Ended April 30th	City Direct Rate	City Non-Home Rule Rate ⁽¹⁾	State of Illinois Rate	Cook County Rate	Regional Transportation Authority Rate	Total Sales Tax Rate
2006	1.00	0.50	5.00	1.00	0.75	8.25
2007	1.00	0.50	5.00	1.00	0.75	8.25
2008	1.00	0.50	5.00	1.00	1.00	8.50
2009	1.00	0.50	5.00	2.00	1.00	9.50
2010	1.00	0.50	5.00	2.00	1.00	9.50
2011	1.00	0.50	5.00	1.50	1.00	9.00
2012	1.00	0.50	5.00	1.25	1.00	8.75
2013	1.00	0.50	5.25	0.75	1.00	8.50
2014	1.00	0.50	5.25	0.75	1.00	8.50
2015	1.00	0.50	5.25	0.75	1.00	8.50

Notes:

⁽¹⁾ The City enacted a non-home rule sales tax effective July 1, 2005

Data Source

Illinois Department of Revenue

City of Prospect Heights

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Levy Years

Fiscal Year Ended April 30th	Levy Year	Total Tax Levy Extended	Collections received from the Tax Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	\$ 478,697	\$ 464,127	97.0	\$ 629	\$ 464,756	97.1
2007	2006	506,678	418,611	82.6	63,457	482,068	95.1
2008	2007	448,961	417,250	92.9	16,029	433,279	96.5
2009	2008	725,973	684,918	94.3	23,632	708,550	97.6
2010	2009	696,533	566,275	81.3	114,557	680,832	97.7
2011	2010	719,063	691,772	96.2	8,167	699,939	97.3
2012	2011	1,173,647	1,156,270	98.5	(1,827)	1,154,443	98.4
2013	2012	1,867,308	1,846,797	98.9	1,971	1,848,768	99.0
2014	2013	2,239,415	2,216,999	99.0	-	2,216,999	99.0
2015	2014 ⁽¹⁾	2,265,961	1,111,400	49.0	-	1,111,400	49.0

(1) Levy year 2014 collections reflect first installment only.

Data Source

Cook County Treasurer and City of Prospect Heights Records

City of Prospect Heights

PROPERTY TAX LEVIES AND COLLECTIONS BY TAXING AREA Last Ten Levy Years

Tax levy year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)
City-wide - Police pension	\$ 201,453	\$ 220,796	\$ 231,958	\$ 246,602	\$ 249,995	\$ 258,174	\$ 263,554	\$ 275,022	281,240	143,147
Road Bonds	-	-	-	-	-	-	436,377	978,294	1,347,309	684,820
Special services area #1	24,056	24,669	18,623	19,664	20,273	20,996	20,454	33,955	27,496	14,411
Special services area #2	35,318	35,873	13,918	15,192	15,799	16,667	16,230	51,427	43,044	22,622
Special services area #3	85,912	88,365	53,530	57,636	60,243	62,289	51,013	20,551	20,490	10,707
Special services area #4	23,573	17,416	13,821	15,950	14,459	16,846	16,402	35,822	37,985	14,899
Special services area #5	94,444	94,948	101,429	111,634	75,763	78,981	25,947	5,255	5,781	2,684
Special services area #6	-	-	-	241,872	244,299	245,986	242,900	243,438	246,583	131,824
Special services area #8	-	-	-	-	-	-	81,566	205,003	207,072	86,285
Total collections to date	<u>464,756</u>	<u>482,068</u>	<u>433,279</u>	<u>708,550</u>	<u>680,832</u>	<u>699,939</u>	<u>1,154,443</u>	<u>1,848,768</u>	<u>2,216,999</u>	<u>1,111,400</u>
Levy as extended	<u>478,697</u>	<u>506,678</u>	<u>448,961</u>	<u>725,973</u>	<u>696,533</u>	<u>719,063</u>	<u>1,173,647</u>	<u>1,867,308</u>	<u>2,239,415</u>	<u>2,265,961</u>
Percent collected	97.1%	95.1%	96.5%	97.6%	97.7%	97.3%	98.4%	99.0%	99.0%	49.0%

(1) Levy year 2014 collections reflect first installment only.

Data Source

Cook County Treasurer

City of Prospect Heights

RATIOS OF OUTSTANDING DEBT BY TYPE Last Ten Fiscal Years

Fiscal Year Ended April 30 th	Governmental Activities					Business- Type Activities		Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Tax Increment Notes Payable	Installment Contract Payable	Special Service Area Bonds	Note Payable	General Obligation Bonds	Total City		
2006	\$13,724,310	\$ 4,830,000	\$ -	\$ -	\$ -	\$ -	\$18,554,310	3.07	\$ 1,133
2007	6,003,228	4,645,000	-	-	-	-	10,648,228	1.78	657
2008	7,643,228	4,455,000	-	-	-	-	12,098,228	2.03	750
2009	7,995,305	4,210,000	-	2,800,000	-	-	15,005,305	2.53	935
2010	7,450,305	3,540,000	-	2,700,000	225,685	-	13,915,990	2.36	872
2011	6,885,305	2,750,000	-	2,615,000	169,264	800,000	13,219,569	2.74	813
2012	17,160,000	2,440,000	-	2,525,000	112,842	765,000	23,002,842	4.75	1,409
2013	21,870,000	2,110,000	-	2,435,000	56,421	715,000	27,186,421	5.72	1,661
2014	21,319,953	1,765,000	-	2,340,000	-	665,000	26,089,953	4.99	1,590
2015	19,586,389	1,365,000	-	2,240,000	-	615,000	23,806,389	4.63	1,450

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

⁽¹⁾ Additional demographic information is available in the schedule of *Demographic and Economic Statistics*.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year Ended April 30th	General Bonded Debt	Less: Amounts Available for General Bonded Debt	Net General Bonded Debt	Percentage of Estimated Actual Value of Taxable Property ⁽¹⁾	Per Capita ⁽²⁾
2006	\$ 13,724,310	\$ -	\$ 13,724,310	103.07%	\$ 838
2007	6,003,228	-	6,003,228	0.45	370.20
2008	7,643,228	-	7,643,228	0.48	473.53
2009	7,995,305	-	7,995,305	0.47	498.24
2010	7,450,305	-	7,450,305	0.44	466.84
2011	7,685,305	-	7,685,305	0.52	472.77
2012	17,925,000	-	17,925,000	1.35	1,097.87
2013	22,585,000	242,291	22,342,709	1.87	1,379.91
2014	21,984,953	549,369	21,435,584	2.15	1,339.89
2015	20,201,389	783,635	19,417,754	1.89	1,230.44

Note:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1)

Estimated actual value of taxable property reflects most current information available at end of fiscal year. For example, levy year 2013 estimated actual value of taxable property provided for fiscal year 2014. See *Assessed Value and Actual Value of Taxable Property*, for more property value information.

(2)

Population data can be found in *Demographic and Economic Statistics*.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2015

Governmental Unit	Debt Outstanding ⁽¹⁾	Estimated Percentage of Debt Applicable to the City ⁽²⁾	City of Prospect Heights Share of Debt
City of Prospect Heights	\$ <u>23,191,389</u>	100.000 %	\$ <u>23,191,389</u>
Total Direct Debt	<u>23,191,389</u>		<u>23,191,389</u>
Cook County	3,584,870,000	0.27 %	9,559,596
Cook County Forest Preserve	172,535,000	0.27 %	460,091
Metropolitan Water Reclamation District ⁽³⁾	2,591,245,000	0.27 %	7,045,926
Arlington Heights Park District ⁽⁴⁾	22,225,000	0.97 %	215,583
Wheeling Park District ⁽⁴⁾	12,770,000	4.69 %	598,946
School District 21 - Wheeling	40,805,000	5.01 %	2,044,331
School District 23 - Prospect Heights	9,940,000	38.56 %	3,832,864
School District 25 - Arlington Heights	181,660	0.27 %	490
School District 26 - River Trails	12,295,881	10.32 %	1,269,387
School District 31 - West Northfield	2,960,000	2.79 %	82,584
Township High School District 214 - Arlington Heights	42,800,000	4.43 %	1,895,259
Township High School District 225 - Northfield	106,856,437	0.29 %	306,329
Community College District 512 - Harper ⁽⁴⁾	<u>177,706,082</u>	2.02 %	<u>3,596,135</u>
Total Overlapping Debt	<u>6,777,190,060</u>		<u>30,907,519</u>
Total Direct and Overlapping Debt	<u>\$ 6,800,381,449</u>		<u>\$ 54,098,908</u>

(1) Includes all long-term debt instruments of the governmental activities, including bonds, notes, certificates of participation, loans and capital leases.

(2) Determined by dividing the portion of the overlapping government's taxable assessed value located in the City of Prospect Heights by the total taxable assessed value of the overlapping government. Reflects 2014 taxable assessed values, the most current information available.

(3) Includes loans payable to the Illinois Environmental Protection Agency

(4) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

Data Sources: Offices of the Cook County Clerk, Comptroller and Metropolitan Water Reclamation District Treasurer

City of Prospect Heights

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed value ⁽¹⁾	\$ 416,852,808	\$ 443,398,275	\$ 447,526,177	\$ 529,056,846	\$ 561,012,029	\$ 557,571,070	\$ 440,623,173	\$ 397,333,039	\$ 331,710,999	\$ 341,892,724
Debt limit	35,953,555	38,243,101	38,599,133	45,631,153	48,387,288	48,090,505	38,003,749	34,269,975	28,610,074	29,488,247
Total net debt applicable to limit	<u>13,724,310</u>	<u>6,003,228</u>	<u>7,643,228</u>	<u>7,995,305</u>	<u>7,450,305</u>	<u>7,685,305</u>	<u>17,925,000</u>	<u>21,870,000</u>	<u>21,984,953</u>	<u>20,201,389</u>
Legal debt margin	<u>\$ 22,229,245</u>	<u>\$ 32,239,873</u>	<u>\$ 30,955,904</u>	<u>\$ 37,635,848</u>	<u>\$ 40,936,983</u>	<u>\$ 40,405,200</u>	<u>\$ 20,078,749</u>	<u>\$ 12,399,975</u>	<u>\$ 6,625,121</u>	<u>\$ 9,286,858</u>
Total net debt applicable to the limit as a percentage of debt limit	38.17%	15.70%	19.80%	17.52%	15.40%	15.98%	47.17%	63.82%	76.84%	68.51%

Note: Under state finance law, the City's outstanding general obligation debt should not

(1) Assessed value reflects most current information available at end of fiscal year. For example, 2013 assessed value provided for fiscal year 2014.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Tax Increment Allocation Notes, Series 2004

Fiscal Year Ended April 30th	Incremental Property Taxes and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 1,431,800	\$ 106,332	\$ 1,325,468	\$ 175,000	\$ 222,460	3.33
2007	2,250,214	1,210,313	1,039,901	185,000	216,335	2.59
2008	1,081,161	656,813	424,348	190,000	207,089	1.07
2009	1,646,110	239,695	1,406,415	245,000	203,210	3.14
2010	1,223,254	490,299	732,955	670,000	198,106	0.84
2011	1,103,995	314,733	789,262	790,000	173,892	0.82
2012	1,044,418	190,972	853,447	310,000	127,825	1.95
2013	700,571	373,304	327,267	330,000	114,185	0.74
2014	630,802	168,477	462,325	345,000	99,665	1.04
2015	537,291	320,561	216,730	400,000	84,485	0.45

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

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income	Per Capita Personal Income	Unemployment Rate (3)
2005	16,372	604,306,892	36,911	4.1
2006	16,216	598,548,776	36,911	3.0
2007	16,141	595,780,451	36,911	3.6
2008	16,047	592,310,817	36,911	5.1
2009	15,959	589,062,649	36,911	8.2
2010	16,256	482,656,896	29,691	6.7
2011	16,327	484,764,957	29,691	6.6
2012 (2)	16,367	475,134,010	29,030	6.7
2013	16,408	522,430,720	31,840	5.8
2014	16,418	514,129,670	31,315	3.7

Data Sources

(1) U.S. Census Bureau.

(2) U.S. Census Bureau, Per capita money income in past 12 months (2012 dollars) 2008-2012

(3) Illinois Department of Employment Security (IDES)

City of Prospect Heights

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Fiscal Year Ended April 30, 2015					Fiscal Year Ended April 30, 2006				
Employer	Business/Service	Employees	Percent of Total	Rank	Employer	Business/Service	Employees	Percentage of Total	Rank
School District Number 23	Elementary public schools	210 *	19.1 %	1	Household International, Inc. (HQ)	Loans and Credit	1,100	55.6 %	1
Hilton Hotel and Allgauer's Restaurant	Hotel and restaurant	160 *	14.6 %	2	School District Number 23	Elementary public schools	202	10.2 %	2
Prospect Heights Park District	Public parks, recreation 15 full-time, 60 part-time, 80 seasonal	155 *	14.1 %	3	Prospect Heights Park District	Public parks, recreation 19 full-time, 3 part-time, 133 seasonal	185	9.4 %	3
Crowne Plaza	Hotel and restaurant	115 *	10.5 %	4	Hilton Hotel and Allgauer's Restaurar	Hotel and restaurant	148	7.5 %	4
Brookdale Senior Living	Long Term Care Facilities	116 *	10.6 %	5	Siemens Hearing Instruments	Orthopedic appliances, hearing aids	90	4.6 %	5
Ultra Foods	Grocery store	89	8.1 %	6	Doetsch Bros Company	Excavating Contractor	60	3.0 %	6
Terrance Electric & Technology	Commercial & industrial printing	63 *	5.7 %	7	Brighton Gardens	Long-Term Care Facilities	58	2.9 %	7
Prospect Heights Fire Protection Dist.	Fire Protection	54 *	4.9 %	8	Jarke Corporation	Medical Supplies	50	2.5 %	8
City of Prospect Heights	Municipal government	52 *	4.7 %	9	City of Prospect Heights	Municipal government	46	2.3 %	9
House of Music and Entertainment	Restaurant and bar	44	4.0 %	10	Prospect Heights Public Library	Public Library	39	2.0 %	10
Prospect Heights Public Library	Public library	41 *	3.7 %	11					
Total		<u>1,099</u>			Total		<u>1,978</u>		

*Phone canvass. Includes full and part-time, excludes substitutes

Sources:

Manta.com, Prospect Heights Park District CAFR

City of Prospect Heights

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION / PROGRAM LAST TEN FISCAL YEARS

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Administration	3.00	3.00	3.00	2.00	2.00	2.00	2.50	3.00	3.00	1.25
Finance	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.25
Building and Zoning	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.50	3.50	2.50
Engineering	2.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50	0.50
PUBLIC SAFETY										
Police Sworn	26.00	26.00	26.00	26.00	26.00	24.00	21.00	26.00	27.00	27.00
Police Civilian	3.00	3.00	3.00	3.00	2.00	2.50	2.00	3.00	3.50	4.00
PUBLIC WORKS										
Administration	1.50	1.50	1.50	1.50	0.50	-	1.00	1.00	1.00	2.00
Streets and Sewers	2.90	2.90	2.90	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Forestry	0.50	1.50	1.50	1.00	1.00	-	-	-	-	-
Drainage	1.50	1.50	1.50	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Vehicle Maintenance	1.10	1.10	1.10	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
CONVENTION & VISITORS BUREAU										
	4.00	4.00	4.00	4.00	5.00	3.00	2.00	-	-	-
Total	50.00	50.00	50.00	49.00	47.00	41.00	38.50	44.00	45.50	44.00

Data Source

City of Prospect Heights Actual Payroll Fiscal Year End

City of Prospect Heights

OPERATING INDICATORS BY FUNCTION / PROGRAM Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Number of calls	10,379	12,925	11,354	13,888	8,214	5,847	5,467	5,409	5,597	5,816
Part One Offenses ⁽¹⁾	219	231	284	202	215	213	206	188	178	176
Part Two Offenses ⁽²⁾	599	602	620	670	614	469	548	723	740	737
Part One Arrests ⁽¹⁾	29	17	51	22	31	13	38	39	34	30
Part Two Arrests ⁽²⁾	393	284	319	289	305	205	280	442	456	431
Auto Accident investigations	655	491	552	502	535	339	268	315	333	377
Building & Zoning ⁽³⁾										
Building permits issued (residential and commercial)	364	312	342	406	360	269	294	351	457	471
Value of all construction permits issued	\$15,532,780	\$12,753,025	\$14,397,295	\$6,836,618	\$4,489,580	\$8,574,513	\$14,171,540	\$11,655,638	\$13,186,191	\$18,888,073
Plan reviews ⁽⁴⁾	680	780	845	948	799	564	625	727	748	503
Building inspections ⁽⁴⁾	1,690	1,062	860	1,117	902	774	917	744	777	743
Rental dwelling inspections ⁽⁴⁾	1,000	1,047	1,230	1,566	1,615	1,032	1,027	1,132	1,457	1,599
Health inspections ⁽⁴⁾	480	506	528	534	305	286	349	285	261	142
Engineering										
Right-of-way permits reviewed	93	95	27	43	47	13	38	47	31	32
Subdivision reviews (number)	2	3	1	-	-	1	2	1	-	-
Road program/street reconstruction (linear feet)	2,368	7,076	8,137	-	-	-	45,156	32,090	-	-
Road program/resurfacing (linear feet)	-	-	-	-	-	-	17,057	17,057	48,568	-
Public works - general										
Streets cold patching (in tons)	18	37	55	126	70	66	32	8	10	3
Streets resurfaced (square yards)	277	356	851	-	883	-	107,401	137,901	110,550	-
Streets cleaned (miles)	17.32	17.32	17.32	17.32	26.40	31.25	21.40	20.30	21.40	20.33
Snow plowing/salting (hours)	276	355	893	1,287	953	1,002	519	1,074	1,810	835
Storm sewers repaired & cleaned (linear feet)	3,905	6,750	3,268	1,146	100	40	31,270	4,562	5,294	2,720
Service requests (residential and intra-city)	216	204	414	622	763	822	2,380	2,106	2,317	2,118
JULIE utility locates	2,255	2,076	1,930	2,405	1,990	2,146	2,204	2,463	2,571	2,680
Parkway trees planted	4	6	3	1	1	-	-	-	28	34

(Continued)

City of Prospect Heights

OPERATING INDICATORS BY FUNCTION / PROGRAM Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public works - Water										
Gallons of water billed (in thousands)	49,057	42,837	42,935	41,599	45,331	47,364	45,079	47,249	47,596	44,290
Main break repairs	1	1	1	2	1	-	1	2	-	-
Meters replaced	421	63	3	6	-	2	-	-	2	-
Services initiated	-	2	2	119	5	8	1	2	16	1

(Concluded)

Data Source

City of Prospect Heights departmental records.

NOTES:

- (1) Part One Offenses are defined by the Federal Bureau of Investigation as the statistical measurement that includes murder, armed robbery, robbery, aggravated criminal sexual assault, aggravated assault, theft, auto theft, and arson.
- (2) Part Two Offenses are defined by the Federal Bureau of Investigation as the statistical measurement of all other misdemeanor offenses not included in Part One offenses.
- (3) These statistics are tracked on a calendar year basis. Statistics reported are for the calendar year ending within the fiscal year
- (4) City Hall fire in April 2006 destroyed files for calendar years 2003-2005. Statistics for these years are estimates.

City of Prospect Heights

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Patrol units	10	10	10	10	10	14	14	14	18	18
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00
Sidewalks (miles)	9.23	9.23	9.23	9.23	9.23	9.23	9.23	9.23	9.73	9.73
Buildings maintained	5	5	5	5	5	5	6	6	6	6
Sanitary sewers (miles)	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35	8.35
Storm sewer lift stations	2	2	2	2	2	2	2	2	2	2
Street lights (number)	19	19	19	19	19	19	19	19	19	19
Land maintained (acres)	20.38	20.38	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07
Water										
Fire hydrants	90	94	94	136	136	146	146	146	146	146
Valves	99	104	104	143	143	153	153	153	153	153
Pump stations	1	1	1	1	1	1	1	1	1	1
Interconnects	1	1	1	1	1	1	1	1	2	2
Storage capacity (in thousands of gallons)	550	550	550	550	550	550	550	550	550	550

Data Source

City of Prospect Heights Police, Engineering, and Public Works Department records.