



# City of Prospect Heights, Illinois

Annual Comprehensive Financial Report

Year End April 30, 2021



Prepared by:  
The Finance Department

***CITY OF PROSPECT HEIGHTS, ILLINOIS***  
***ANNUAL COMPREHENSIVE FINANCIAL REPORT***  
***FISCAL YEAR ENDED APRIL 30, 2021***

PREPARED BY:  
FINANCE DEPARTMENT

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## INTRODUCTORY SECTION



December 1, 2021

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

The Annual Comprehensive Financial Report (ACFR) of the City of Prospect Heights (City) for the year ended April 30, 2021 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 Eder Casella & Co, 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, 2021 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, 2021 are fairly presented in conformity with GAAP. The independent auditors' report, located on pages 1-3, 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.

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## **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 15,887 (2019 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 and use tax receipts for the fiscal year ended April 30, 2021 were \$2,004,100 compared to \$1,910,200 for the previous year.

Due to the impact of COVID-19 restrictions, the City of Prospect Heights' average unemployment rate as of June, 2021 was 9.2%, which was down from 15.7% in the previous year. The City of Prospect Heights had a median family income of \$73,084, as of the 2015-2019 Census, which was 10% higher than the State of Illinois average and 8% greater than the national average.



For fiscal year 2021, the City issued 708 construction permits (residential and commercial) valued at \$17.5 million, as compared to 516 permits the previous year with a value of \$30.1 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 home remodeling, tear-down and rebuilding on existing lots and home improvement projects of existing homes. There has been a slight decrease in this activity that accounts for the decrease in permit activity, but at a lesser construction value. Commercial permit activity has been limited to redevelopment of existing business locations, with the occasional redevelopment of vacant buildings and land.

**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. A five-year capital Improvement Plan was developed and approved as part of the 2021-2025 operating and capital budget.

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, Video Gaming 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 FY2021, the City maintained the same staffing as the prior year with no increases. 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. All phases of this project were completed by the end of FY2014.

### **Major Initiatives**

City departments were involved in a variety of projects throughout the year. Among the highlights of fiscal year 2021 are the following initiatives and accomplishments.



## **Administration**

- Managed COVID-19 vaccinations for 80 staff, volunteers, and Elected Officials for the City, Park, Library, and Fire Districts.
- Organized and staffed a pop-up COVID-19 vaccination clinic at Willow Trails Park to vaccinate area residents.
- Worked with Cook County Officials to acquire \$343,113.47 in emergency Coronavirus Aid, Relief, and Economic Security (CARES) funding for the City.
- Coordinated with Federal Officials to acquire \$1,960,000 in emergency American Rescue Plan Act funding for the City.
- Applied for a \$1,126,734 Community Project Funding request through Congressman Brad Schneider's office for the construction of a sidewalk along Wolf Road.
- Obtained Invest in Cook grant to support Camp McDonald Road Sidewalk.
- Coordinated Capital Improvements planning process for Arlington Countryside Storm Water Management Project.
- Completed 2020 Census outreach and promotional activities resulting in a citywide increase in self-response rates of 4.3% from 2010 including a 7.7% increase in self-response in the City's multifamily eastside.
- Provided staff support to Boards and Commissions.
- Delivered 2020-2025 Capital Improvement Plan.
- Continued Willow Road planning process with Metropolitan Water Reclamation District and Cook County Department of Transportation.

## **Building & Community Development Department**

- COVID-19 Pandemic Response – Building Department has continued to provide support to the local businesses and restaurants during the past year. Specifically, the department has provided on site consultation for mandate compliance. Provide timely information regarding COVID related economic assistance programs and opportunities. Permitted a temporary drive-thru COVID-19 Rapid Test facility at Prospect Crossing Shopping Center. Performed COVID compliance complaint inspections for all business types within the community. Assisted with public education and notification of a walk-up vaccination site.
- 25 E. Piper Lane – New Industrial Building: Staff worked closely with the property owner, Conor Commercial Real Estate in securing a tenant for 75,000 sq. ft. of the vacant 151,000 sq. ft. facility. Samsung Communications took occupancy of the western half of the building during FY21.
- New Single-family Construction: New single-family construction remained strong during FY21. There were six new single-family homes permitted.
- Lexington Homes – Muir Park Townhome Subdivision: Lexington Homes received City Council approval to develop a 69-unit townhome subdivision at the 5-acre vacant Jolly Fun House Academy property. The redevelopment project also received Tax Increment Financing approval



from the City. The project includes the complete redevelopment of approximately 10 acres of property, construction of 69 two & three-bedroom townhomes, redevelopment of Muir Park, community well system, improved storm water management improvements, and off-site storm water and side walk improvement in the Drake Terrace neighborhood.

### **Engineering**

- Commenced Phase 1 of the sewer rehabilitation project – point repair, lining & root control
- Continued coordination with Metropolitan Water Reclamation District for the Willow Road Storm Water Management Improvement
- Assisted U.S. Army Corps of Engineers the Illinois Department of Natural Resources with assignment of remediation work for the Levee 37 project
- Commenced design for the Arlington Countryside storm sewer improvement
- Commenced construction on the Schoenbeck sidewalk between Camp McDonald and West Marion Street
- Continued Phase I design work for the Wolf Road Sidewalk - Palatine Road to Train Station
- Continued Phase I design work for Old Willow Road
- Completed platting, design, and construction of the Plaza Drive improvements
- Completed sewer televising of the remaining 50% of City owned sanitary sewers

### **Police Department**

- Promote one officer to Sergeant's open position.
- Fill two open officer positions.
- Hire Administrative Assistant for Chief of Police to fill a vacancy.
- Assign officer to fill NIPAS Field Force Position.
- Advertise and conduct Police Officer testing and interviews.
- Purchase and install in car video system.
- Replace one squad car.
- Upgrade and replace outdated cameras on eastside locations.
- Secure grant to replace in car camera system.
- Replace carpet in office area.

### **Public Works Department**

- Maintained 50 City vehicles- Police cars, Public Works trucks, administration cars, and dozens of pieces of equipment.
- Completed full inspection of fresh water system, including flushing all hydrants and full valve testing- meet all IEPA standards.
- Worked with contractors to complete Phase 2 sewer replacement and root treatments, and completed the process of CIP lining selected sections.
- Completed full Levee 37 wall and gate cleaning and testing 2020.



- Increased Covid-19 Building Services- upgraded air filtration standards, improved cleaning requirements, added sanitizer stations, and temperature check stations.
- Lower expenditures across Public Works operations.
- Improve response and tracking of resident concerns.

## **Finance**

- Worked with our investment advisors to further enhance the City's cash management practices to provided competitive rates on a national basis for certificates of deposit as well as other Treasury offerings.
- Approved the budget for fiscal year ending April 30, 2021 by the City Council and filed with the Cook County Clerk's office within the required time frame.
- Continued collection program for unpaid parking tickets and photo enforcement citations, with significant efforts made internally along with a third party collection agency.
- System updates and enhancements to further develop automated processes and reconciliation procedures to provide more effective and efficient processing.
- Performed regular budgetary reviews to provide improved monitoring of the City's financial position.
- Worked with Administration and grant funding agencies to maximize federal and state COVID relief funds.

## **Population Projections**

As reported in the 2019 Census, the City had a population of 15,887, which reflected a decrease of 2%, or 369 people, as compared to the 2010 Census. This decline in population will negatively impact 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**

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for the year ended April 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. The City of Prospect Heights has received a Certificate of Achievement for eight consecutive years (fiscal years ended 2012 through 2019). The City's report for FY20 has been submitted and we are awaiting final results. We believe that our current report, FY21, continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.



## **Acknowledgements**

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated services of the entire staff of the Finance Department, and the cooperation and assistance rendered by the staff of other operating departments of the City. I would like to express our appreciation to all of those employees who assisted and contributed to its preparation.

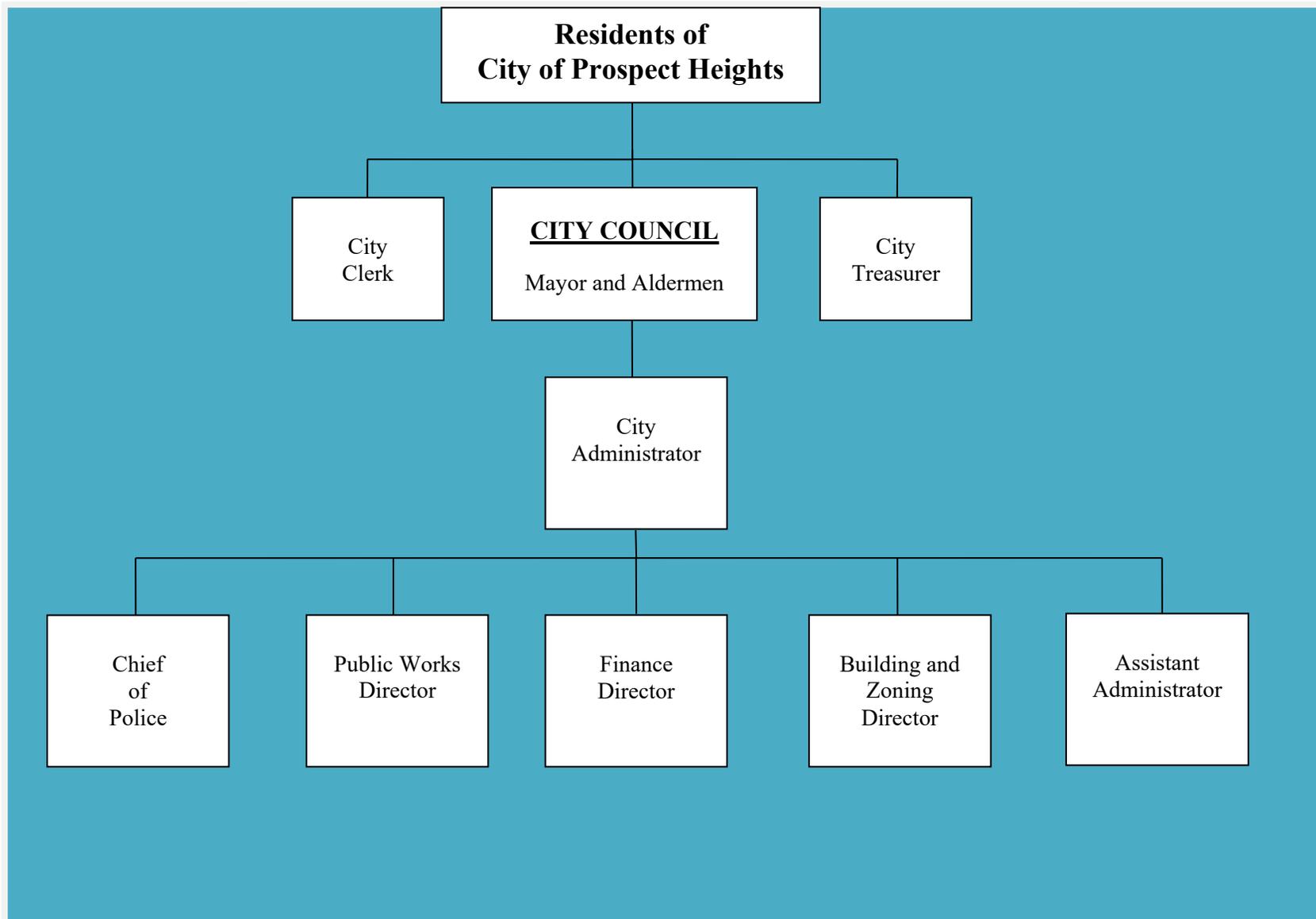
Finally, appreciation is expressed to the Mayor, City Council, City Administrator and Management for their leadership and support in planning and conducting the fiscal affairs of the City.

Respectfully submitted,

*Cheri Graefen*

Cheri Graefen  
Finance Director

**CITY OF PROSPECT HEIGHTS, ILLINOIS**  
**Organizational Chart**  
**April 30, 2021**



CITY OF PROSPECT HEIGHTS, ILLINOIS

PRINCIPAL OFFICIALS

APRIL 30, 2021

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**CITY COUNCIL**

Nicholas J. Helmer, Mayor

Michelle Cameron, Alderman

Daniel Dash, Alderman

Kathleen Quinn, Alderman

Matthew Dolick, Alderman

Wendy Morgan-Adams, Alderman

Joanna Prisiajniouk, City Clerk

Richard Tibbits, City Treasurer

**ADMINISTRATION**

Joe Wade, City Administrator

Chief of Police .....Jim Zawlocki

Building and Zoning Director ..... Dan Peterson

Finance Director .....Cheri Graefen

Public Works Director ..... Mark Roscoe

FINANCIAL SECTION



Eder, Casella & Co.  
815.344.1300  
www.edercasella.com

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council Members  
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

City of Prospect Heights

as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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casella  
&  
co

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Prospect Heights as of April 30, 2021, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental 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. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements

The supplemental 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. Such 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. In our opinion, the supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021 on our consideration of City of Prospect Heights' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts,

and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Prospect Heights' internal control over financial reporting and compliance.

*Eder, Casella & Co.*  
EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
December 1, 2021



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of

City of Prospect Heights

as of and for the year ended April 30, 2021, and the related notes to the financial statements, which collectively comprise City of Prospect Heights' basic financial statements, and have issued our report thereon dated December 1, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered City of Prospect Heights' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Prospect Heights' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Prospect Heights' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City of Prospect Heights' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Eder, Casella & Co.*  
EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
December 1, 2021

REQUIRED SUPPLEMENTARY INFORMATION

# **CITY OF PROSPECT HEIGHTS, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2021

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 positions (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 ANNUAL COMPREHENSIVE 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, public works and Chicago Executive Airport. The business-type activities include the Water Fund, Sewer Fund, and Parking 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.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be 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 City maintains 17 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Development Fund, Capital Projects Fund and Road Construction Debt Fund, 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 thirteen funds' data is combined into a single column labeled "nonmajor governmental funds."

### *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 three enterprise funds, the Water Fund, Sewer Fund and the Parking Fund. The City included the Airport Fund as separate propriety fund in prior years. The City now includes the Chicago Executive Airport as an asset in governmental activities.

### *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.

## **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.

## 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 benefits obligations to its employees, and budget information.

## 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 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 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, 2021 was \$86,166,540, which represents an increase of \$4,380,652 as compared to the April 30, 2020 amounts. The City's net position from governmental activities increased by \$3,662,126 and net position from business-type activities increased by \$718,526 based upon FY2020 balances. Table 1 below presents a summary of governmental and business-type net position as of April 30, 2021 compared to April 30, 2020.

#### City of Prospect Heights' Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020
<b>Assets</b>						
Current and Other Assets	\$ 71,870,662	\$ 70,260,162	\$ 4,461,256	\$ 3,915,815	\$ 76,331,918	\$ 74,175,977
Capital Assets	29,818,080	30,888,013	4,012,602	3,934,501	33,830,682	34,822,514
<b>Total Assets</b>	<b>\$ 101,688,742</b>	<b>\$ 101,148,175</b>	<b>\$ 8,473,858</b>	<b>\$ 7,850,316</b>	<b>\$ 110,162,600</b>	<b>\$ 108,998,491</b>
Deferred Outflows of Resources	\$ 2,663,245	\$ 2,882,694	\$ 12,810	\$ 4,512	\$ 2,676,055	\$ 2,887,206
<b>Liabilities</b>						
Current Liabilities	\$ 1,314,772	\$ 1,217,263	\$ 41,541	\$ 171,914	\$ 1,356,313	\$ 1,389,177
Noncurrent Liabilities	20,070,246	25,387,171	415,241	405,138	20,485,487	25,792,309
<b>Total Liabilities</b>	<b>\$ 21,385,018</b>	<b>\$ 26,604,434</b>	<b>\$ 456,782</b>	<b>\$ 577,052</b>	<b>\$ 21,841,800</b>	<b>\$ 27,181,486</b>
Deferred Inflows of Resources	\$ 4,765,305	\$ 2,886,897	\$ 65,010	\$ 31,426	\$ 4,830,315	\$ 2,918,323
<b>Net Position</b>						
Net Investment in Capital						
Assets	\$ 20,446,392	\$ 20,113,377	\$ 3,732,602	\$ 3,594,501	\$ 24,178,994	\$ 23,707,878
Restricted	6,906,338	7,501,994	-	-	6,906,338	7,501,994
Unrestricted	50,848,934	46,924,167	4,232,274	3,651,849	55,081,208	50,576,016
<b>Total Net Position</b>	<b>\$ 78,201,664</b>	<b>\$ 74,539,538</b>	<b>\$ 7,964,876</b>	<b>\$ 7,246,350</b>	<b>\$ 86,166,540</b>	<b>\$ 81,785,888</b>

### 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 FY2021, governmental activities net position totaled \$78,201,664 reflecting an increase of \$3,662,126 over the prior fiscal year. Governmental activities total assets increased \$540,567 and governmental activities total liabilities decreased \$5,219,416.

The \$540,567 increase in total assets resulted primarily from a \$2,545,723 increase in cash, offset by a combined decrease in Accounts Receivable, Property Taxes Receivable, and the Airport Joint Venture investment of \$1,205,029 and a decrease of \$1,069,933 in capital assets.

Most of the governmental funds experienced increases in their cash position as a result of budget surpluses. The General Fund, which provides the majority of City services, experienced a \$3,794,439 increase in its cash position.

The \$5,219,416 decrease in total liabilities resulted mainly from a decrease of \$5,316,925 in non-current liabilities (Net Pension Liabilities, OPEB Liabilities, Bonds Payable, and Compensated Absences).

### *Business-Type Activities*

The business-type activities net position increased by \$718,526. Business-type activities total assets increased \$623,542 and total liabilities decreased \$120,270. The increase in total assets includes a \$493,905 increase in cash and investments. The \$120,270 decrease in total liabilities includes a \$10,103 decrease in noncurrent liabilities and an \$129,862 decrease in accounts payable.

## **Changes in Net Position**

The City's combined change in net position for FY2021 was an increase of \$4,380,652. Governmental activities saw an increase in net position of \$3,662,126 in FY2021. Business-type activities saw an increase in net position of \$718,526 in FY2021. The table below shows the condensed revenues and expenses of the City's activities.

**City of Prospect Heights' Change in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Revenues						
Program Revenues						
Charges for Services	\$ 2,952,739	\$ 3,025,744	\$ 1,731,638	\$ 1,750,733	\$ 4,684,377	\$ 4,776,477
Operating Grants and Contributions	544,897	467,715	-	-	544,897	467,715
General Revenues						
Property Taxes	2,803,898	3,094,831	-	-	2,803,898	3,094,831
All Other Taxes	7,125,903	6,623,732	-	-	7,125,903	6,623,732
Investment Income	584,016	336,135	4,546	34,163	588,562	370,298
Other	23,383	324,567	-	-	23,383	324,567
Bond Costs	2,356	-	-	-	2,356	-
Total Revenues	<u>\$ 14,037,192</u>	<u>\$ 13,872,724</u>	<u>\$ 1,736,184</u>	<u>\$ 1,784,896</u>	<u>\$ 15,773,376</u>	<u>\$ 15,657,620</u>
Expenses						
General Government	\$ 2,390,858	\$ 3,922,988	\$ -	\$ -	\$ 2,390,858	\$ 3,922,988
Public Safety	4,722,778	5,480,494	-	-	4,722,778	5,480,494
Public Works	2,311,977	2,826,123	-	-	2,311,977	2,826,123
Interest	803,545	330,386	-	-	803,545	330,386
Airport (Joint Venture)	90,908	315,175	-	-	90,908	315,175
Water	-	-	733,565	741,475	733,565	741,475
Sewer	-	-	224,098	151,328	224,098	151,328
Parking	-	-	114,995	105,580	114,995	105,580
Total Expenses	<u>\$ 10,320,066</u>	<u>\$ 12,875,166</u>	<u>\$ 1,072,658</u>	<u>\$ 998,383</u>	<u>\$ 11,392,724</u>	<u>\$ 13,873,549</u>
Excess of Revenues Over Expenses Before Transfers	\$ 3,717,126	\$ 997,558	\$ 663,526	\$ 786,513	\$ 4,380,652	\$ 1,784,071
Transfers	(55,000)	(68,000)	55,000	68,000	-	-
Increase/(Decrease) in Net Position	\$ 3,662,126	\$ 929,558	\$ 718,526	\$ 854,513	\$ 4,380,652	\$ 1,784,071
Net Position - Beginning of Year	74,539,538	73,609,980	7,246,350	6,391,837	81,785,888	80,001,817
Net Position - End of Year	<u>\$ 78,201,664</u>	<u>\$ 74,539,538</u>	<u>\$ 7,964,876</u>	<u>\$ 7,246,350</u>	<u>\$ 86,166,540</u>	<u>\$ 81,785,888</u>

**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 nonrecurring (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 71.06% of the City’s General Fund operating costs.

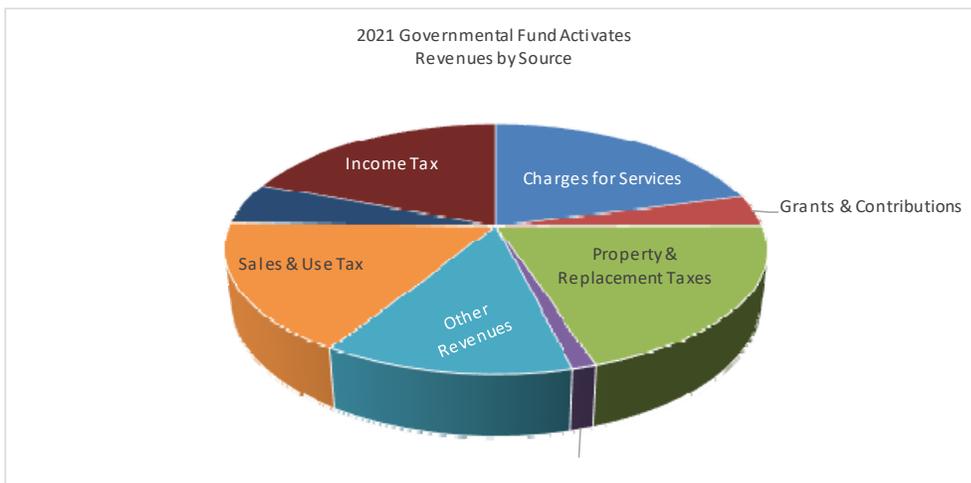
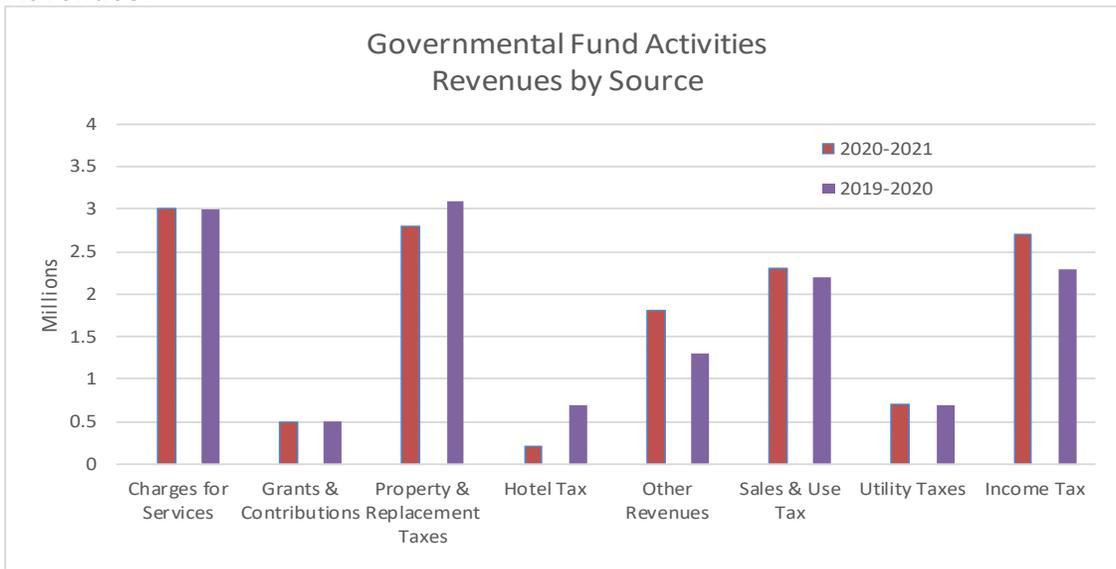
Salary increases (annual adjustments and merit) – The City has three separate bargaining units representing approximately 61% of the employee population.

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, 2021, revenues from governmental activities totaled \$14,037,192, an increase of \$164,468, or 1%, from the prior fiscal year.

The City continues to receive the majority of its revenues from income taxes, sales and local use taxes, nonhome rule sales taxes, telecommunications and utility taxes, and hotel and other taxes. In FY2021, these taxes generated a total of \$7,125,903 in revenue for the City, which represented 51% of all governmental activity revenues. For FY2021, these revenues experienced an overall increase of \$502,171, or 7.6%. 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. *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.*

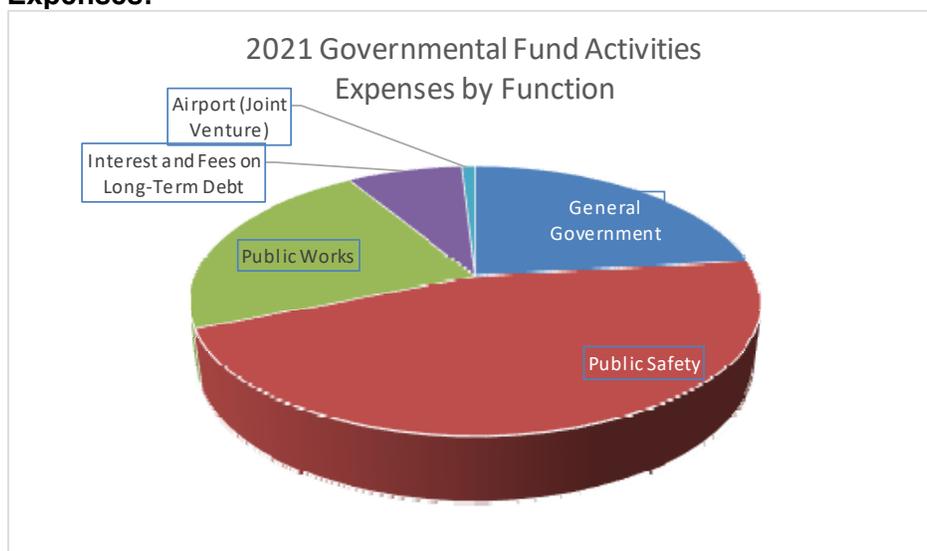
The City generates program revenues via charges for services and operating and capital grants which is the largest revenue source. For FY2021, the total combined revenues generated by these sources were \$3,497,636 which accounted for 25% of total governmental activity revenue. For FY2021, charges for services generated \$2,952,739 in revenue and represented 21% of total governmental activity revenue. In FY2021, charges for services decreased \$73,005. Charges for services revenue includes licenses (vehicle, business, and liquor), permits for construction-related activity, code-related inspection fees, fines and forfeits, franchise fees, general government service charges to other funds 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.

At \$2,803,898 and 20% of total revenues, property taxes comprise the second largest single source of governmental activity revenue for the City. The total property taxes received included \$2,085,757 of taxes levied by the City and \$718,141 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: \$183,598 in taxes generated by two of the City's special service areas for sanitary system, storm water maintenance, and flood control, \$221,119 in taxes generated for Special Service Area Six debt service payments, \$1,295,801 for Road Construction debt, and \$359,543 in taxes generated to assist in funding the City's police pension obligation. In FY2021, property tax revenues decreased by \$290,933.

The operating and capital grants and contributions segment of program revenues includes grants for police operations and equipment, and shared revenues from DEA seizures (of which there was none for FY2021). For FY2021, revenue derived from operating and capital grants totaled \$544,897 and represented 4% of total governmental activity revenue. Of this total, the City received \$343,113 from Cook County for the CARES Grant and \$157,715 in revenues reimbursed from various sources.

The remaining governmental activity revenues include investment income, sales of city property, Bond Proceeds (net of bond costs) and miscellaneous fees. For FY2021, these revenues totaled \$554,755. This included investment income of \$584,016, other miscellaneous income of \$23,383, and offset by Bond Costs of \$2,356 and an interfund transfer to the Parking Fund of \$55,000.

**Expenses:**



For the fiscal year ended April 30, 2021, expenses from governmental activities totaled \$10,320,066, which represents a decrease of \$2,555,100, or 20%, 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 FY2021, expenses for public safety were \$4,722,778 and represented 46% of total governmental activity expenses. Public safety expenses decreased \$757,716 from the prior year. 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 FY2021, expenses for general government were \$2,390,858 which represented 23% of total governmental activities expenses. General government expenses decreased \$1,532,130 from the prior year. 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 FY2021, expenses for public works totaled \$2,311,977 and represented 22% of total governmental activities expenses and a decrease of \$514,146 from the prior year.

### **Business-Type Activities**

#### **Revenues:**

Total revenues for the City's business-type activities for FY2021 were \$1,736,184, a decrease of \$48,712, or 3%, from the prior year.

Business-type activities in the City consist of water operations, sanitary sewer, and parking operations. In FY2021, \$820,122 of program revenue was generated by the sanitary system, \$911,409 by the water operations related to charges for services, and \$107 by the parking operation from charges for services.

#### **Expenses:**

Total expenses for the City's business-type activities for FY2021 were \$1,072,658. Of the total expenses for business-type activities, \$733,565 is attributable to water operations, \$224,098 to sewer, and \$114,995 to parking operations. The main increase in expenses of \$61,275 is related to an increase of Operations and Maintenance expenses.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

### **Governmental Funds**

At April 30, 2021, the Governmental Funds reported a combined fund balance of \$25,976,062 which is a \$2,621,897, or 11%, increase from the beginning of the year balance of \$23,354,165. Of the total year-end fund balance, \$9,573,389 is unassigned in the General Fund indicating availability for continuing City services. Total remaining fund balances are as follows: \$778,714 non-spendable, \$6,906,338 restricted, \$8,899,063 committed, and \$(181,442) unassigned.

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 \$1,725,650, or 15%. The City budgeted for a \$1,180,600 decrease in fund balance. Revenues came in at \$2,331,141 over budgeted amounts and expenditures were \$575,109 under budget.

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 paid on December 15, 2015. The fund was closed during FY2021 by transferring in \$1,825,983 to pay off the Note Payable that was recorded.

The Capital Projects Fund's fund balance decreased by \$315,455. The Capital Projects Fund was established for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The Road Construction Debt Fund's fund balance decreased by \$15,024. Tax receipts for the tax levy were lower than the payments made on the bond payments.

### **Proprietary Funds**

At April 30, 2021, the Enterprise Funds have a total net position of \$7,964,876 which accounts for an increase of \$718,526, or 10%, from the prior year.

The Water Fund reflected an increase in net position of \$181,318. This increase was comprised of water billings being greater than expenses. The City regularly has ongoing system improvement projects that will use up some of the excess funds in future years.

The Sewer Fund reflected an increase in net position of \$597,096. This increase was comprised of sewer billings being greater than expenses, mostly due to lower expenses than last year offset by similar revenues. The City has been progressively increasing rates, so as not to impact the residents all at one time. The rates continue to be adjusted.

The Parking Fund reflected a decrease in net position of \$59,888. The decrease was due to a lack of revenues for the year due to minimal train travel stemming from COVID regulations, and offset by an interfund transfer from the General Fund to help cover current year operating expenses. 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.

**Fiduciary Fund (Police Pension Fund).** At April 30, 2021, the Police Pension Fund's net position amounted to \$22,217,847. Additions exceeded deductions during the year, resulting in an increase of \$4,931,470 in net position.

### **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, no budget amendments were approved by the City Council.

The table below reflects the budget and actual revenues and expenditures for the General Fund.

**City of Prospect Heights**  
**General Fund Budgetary Changes**  
**For Fiscal Year 2021**

	Original and Final Budget	Actual
Revenues	\$ 7,556,650	\$ 9,887,791
Expenditures	8,850,950	8,275,841
Other Financing Sources (Uses)	113,700	113,700
Change in Fund Balance	<u>\$ (1,180,600)</u>	<u>\$ 1,725,650</u>

The City ended the year ahead of budget by \$2,906,250 in the General Fund. The City's revenues were over budget by \$2,331,141, expenses were under budget by \$575,109, and Other Financing Sources/Uses matched the budget exactly.

**CAPITAL ASSETS**

At the end of FY2021, the City had a combined total of \$33,830,682 of capital assets invested in land; equipment; buildings and improvements; vehicles; infrastructure; water facilities and lines; a commuter lot; and construction in progress (see table 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.*

	<b>City of Prospect Heights' Capital Assets (net of depreciation)</b>					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020
Land (includes right of way and easements)	\$ 7,706,337	\$ 7,706,337	\$ 102,195	\$ 102,195	\$ 7,808,532	\$ 7,808,532
Buildings and Improvements	5,205,399	5,406,011	706,085	752,339	5,911,484	6,158,350
Infrastructure	16,173,942	16,867,192	-	-	16,173,942	16,867,192
Water Mains	-	-	2,563,391	2,651,736	2,563,391	2,651,736
Water Reservoir	-	-	59,800	64,400	59,800	64,400
Machinery and Equipment	165,427	217,990	57,899	60,061	223,326	278,051
Office Furniture and Equipment	25,460	59,589	-	-	25,460	59,589
Vehicles	523,075	630,894	88,971	100,076	612,046	730,970
Construction in Progress	18,440	-	434,261	203,694	452,701	203,694
Total	<u>\$ 29,818,080</u>	<u>\$ 30,888,013</u>	<u>\$ 4,012,602</u>	<u>\$ 3,934,501</u>	<u>\$ 33,830,682</u>	<u>\$ 34,822,514</u>

For FY2021, the City's total capital assets, net of depreciation, decreased \$991,832. Capital assets of business-type activities increased \$78,101 due to the net effect of construction in progress and annual depreciation. Capital assets of governmental activities decreased \$1,069,933 due to the sale of fixed assets and annual depreciation.

**Change in Capital Assets**

	Governmental	Business-Type	Total
	Activities	Activities	
	2021	2021	
Beginning Balance	\$ 30,888,013	\$ 3,934,501	\$ 34,822,514
Additions			
Depreciable	233,615	-	233,615
Nondepreciable	18,440	230,567	249,007
Retirements			
Depreciable	(43,930)	-	(43,930)
Depreciation	<u>(1,278,058)</u>	<u>(152,466)</u>	<u>(1,430,524)</u>
Ending Balance	<u>\$ 29,818,080</u>	<u>\$ 4,012,602</u>	<u>\$ 33,830,682</u>

## Debt Outstanding

The City of Prospect Heights' governmental activities had total long-term debt of \$20,070,246 as of April 30, 2021. Long-term debt is comprised of general obligation debt, special service area bonds, net pension obligations, 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.*

*General obligation debt outstanding:* At the end of the year, the City had four general obligation (G.O.) debt issues outstanding with a combined balance of \$7,485,000. 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, 2021, the total debt applicable to this limit was \$8,141,688, well below the \$39,173,982 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 \$1,510,000. 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. This bond was a refunding bond of the Special Service Area # 6 Bonds on September 27, 2018.

*Compensated absences:* At the end of the year, compensated absences payable totaled \$358,157, which reflected a decrease of \$13,301 from the prior year.

*Net pension liabilities:* As of April 30, 2021, the City's net pension liabilities (both IMRF and Police Pension) totaled \$8,633,387, which reflected a decrease of \$3,843,217 over the prior year amount. As of the last valuation date, the Police Pension Fund had an actuarial funded ratio of 63.83%. While the City has taxing authority for the employer share of the police pension contribution, the tax revenue generated only covered 36.06% of the City's FY2021 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 and required supplemental information.*

*Other postemployment benefit (OPEB) liabilities:* As of April 30, 2021, the City's total OPEB liability totaled \$1,842,255. 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.*

The City issued Series 2020 bonds during FY2021 and used the proceeds to refund the Series 2011A and Series 2012 bonds. The City did not apply for a rating on these bonds. The most recent credit rating of the City was issued by Moody's Investor Services upon the issuance of the Series 2013 bonds and the rating was Aa3.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected and appointed officials considered many factors when setting the FY2021 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. When the budget was adopted in April 2021, the City was continuing to maintain a strong and stable economic position. The goals remained to minimize the financial burden on Prospect Heights taxpayers, to continue identifying cost cutting strategies and opportunities, responsibly utilize City reserves when necessary, and proactively structure the City in a way that will maximize the level of service than can be provided with the current level of resources. The budget included a continuation of the prioritization in the City's infrastructure replacements with a 5-year Capital Improvement Program (CIP). The City continues to pursue additional funding sources that will help address the funding gap between the dedicated funding sources and infrastructure needs. The financial position of the State of Illinois remained a major concern as state elected officials continue to explore ideas that shift costs to

local governments and develop legislative proposals to decrease state shared revenues to local governments.

Due to the negative impact of the COVID-19 pandemic and continued mitigations, the economic outlook for the City remains uncertain. Although the financial impacts of the pandemic have lessened in the past six months, the City remains diligent in our efforts to monitor spending while maintaining service levels and where possible, seek additional funding from grants, awards and other government relief programs.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Prospect Height's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Cheri Graefen, Director of Finance, City of Prospect Heights, 8 North Elmhurst Road, Prospect Heights, Illinois 60070.

## BASIC FINANCIAL STATEMENTS

CITY OF PROSPECT HEIGHTS, ILLINOIS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
APRIL 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 24,919,405	\$ 4,627,237	\$ 29,546,642
Prepaid Items	166,436	66,907	233,343
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable	466,464	309,378	775,842
Property Taxes	1,159,242	-	1,159,242
Intergovernmental	899,850	-	899,850
Other Taxes	44,884	-	44,884
Internal Balances	542,266	(542,266)	-
Investment in Joint Venture - Airport	43,672,115	-	43,672,115
Capital Assets			
Capital Assets not Being Depreciated	7,724,777	536,456	8,261,233
Other Capital Assets, Net of Accumulated Depreciation	22,093,303	3,476,146	25,569,449
<b>TOTAL ASSETS</b>	<b>\$ 101,688,742</b>	<b>\$ 8,473,858</b>	<b>\$ 110,162,600</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to IMRF	\$ 193,131	\$ 12,810	\$ 205,941
Deferred Outflows of Resources Related to Police Pension	2,470,114	-	2,470,114
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 2,663,245</b>	<b>\$ 12,810</b>	<b>\$ 2,676,055</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 657,781	\$ 29,433	\$ 687,214
Accrued Payroll	151,342	5,190	156,532
Accrued Interest	123,133	5,118	128,251
Deposits	265,337	1,800	267,137
Unearned Revenues	117,179	-	117,179
Non-Current Liabilities			
Due Within One Year	1,645,236	65,755	1,710,991
Due in More Than One Year	18,425,010	349,486	18,774,496
<b>TOTAL LIABILITIES</b>	<b>\$ 21,385,018</b>	<b>\$ 456,782</b>	<b>\$ 21,841,800</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Future Periods	\$ 1,030,846	\$ -	\$ 1,030,846
Deferred Inflows of Resources Related to IMRF	980,056	65,010	1,045,066
Deferred Inflows of Resources Related to Police Pension	2,754,403	-	2,754,403
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 4,765,305</b>	<b>\$ 65,010</b>	<b>\$ 4,830,315</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 20,446,392	\$ 3,732,602	\$ 24,178,994
Restricted for:			
Public Safety	486,572	-	486,572
Debt Service	1,061,632	-	1,061,632
Streets and Highways	3,538,922	-	3,538,922
Special Service Area Improvements	1,098,258	-	1,098,258
Palatine Road Tax Increment Financing	720,954	-	720,954
Unrestricted/(Deficit)	50,848,934	4,232,274	55,081,208
<b>TOTAL NET POSITION</b>	<b>\$ 78,201,664</b>	<b>\$ 7,964,876</b>	<b>\$ 86,166,540</b>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED APRIL 30, 2021

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$ 2,390,858	\$ 2,202,438	\$ 523,695	\$ 335,275	\$ -	\$ 335,275
Public Safety	4,722,778	280,142	15,416	(4,427,220)	-	(4,427,220)
Public Works	2,311,977	470,159	5,786	(1,836,032)	-	(1,836,032)
Airport (Joint Venture)	90,908	-	-	(90,908)	-	(90,908)
Interest and Fees on Long-Term Debt	803,545	-	-	(803,545)	-	(803,545)
	<u>\$ 10,320,066</u>	<u>\$ 2,952,739</u>	<u>\$ 544,897</u>	<u>\$ (6,822,430)</u>	<u>\$ -</u>	<u>\$ (6,822,430)</u>
<b>Business-Type Activities</b>						
Water	\$ 733,565	\$ 911,409	\$ -	\$ -	\$ 177,844	\$ 177,844
Sewer	224,098	820,122	-	-	596,024	596,024
Parking	114,995	107	-	-	(114,888)	(114,888)
	<u>\$ 1,072,658</u>	<u>\$ 1,731,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 658,980</u>	<u>\$ 658,980</u>
<b>Total Primary Government</b>	<u>\$ 11,392,724</u>	<u>\$ 4,684,377</u>	<u>\$ 544,897</u>	<u>\$ (6,822,430)</u>	<u>\$ 658,980</u>	<u>\$ (6,163,450)</u>
<b>General Revenues</b>						
<b>Taxes</b>						
Property Tax, Levied for General Purposes				\$ 2,803,898	\$ -	\$ 2,803,898
Local Sales and Use Tax				1,067,586	-	1,067,586
State Utility Tax				734,867	-	734,867
Hotel Occupancy Tax				171,901	-	171,901
Other Taxes				1,762,741	-	1,762,741
<b>Intergovernmental</b>						
Income Tax				1,973,191	-	1,973,191
State Sales Tax				1,275,604	-	1,275,604
Other Intergovernmental Taxes				140,013	-	140,013
Net Investment Revenue				584,016	4,546	588,562
Miscellaneous				23,383	-	23,383
Bond Proceeds, Net of Bond Costs				2,356	-	2,356
Transfers				(55,000)	55,000	-
<b>Total General Revenues and Transfers</b>				<u>\$ 10,484,556</u>	<u>\$ 59,546</u>	<u>\$ 10,544,102</u>
<b>Change in Net Position</b>				\$ 3,662,126	\$ 718,526	\$ 4,380,652
<b>Net Position - May 1, 2020</b>				<u>74,539,538</u>	<u>7,246,350</u>	<u>81,785,888</u>
<b>Net Position - April 30, 2021</b>				<u>\$ 78,201,664</u>	<u>\$ 7,964,876</u>	<u>\$ 86,166,540</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 APRIL 30, 2021

	General Fund	Development Fund	Capital Projects Fund	Road Construction Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Investments	\$ 18,422,165	\$ -	\$ -	\$ 802,283	\$ 5,694,957	\$ 24,919,405
Prepaid Items	125,553	-	-	-	40,883	166,436
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Accounts Receivable	322,185	-	-	-	144,279	466,464
Property Taxes	242,149	-	-	686,368	230,725	1,159,242
Intergovernmental	846,298	-	-	-	53,552	899,850
Other Taxes	44,884	-	-	-	-	44,884
Due from Other Funds	678,292	-	5,730,643	-	695,788	7,104,723
<b>TOTAL ASSETS</b>	<b>\$ 20,681,526</b>	<b>\$ -</b>	<b>\$ 5,730,643</b>	<b>\$ 1,488,651</b>	<b>\$ 6,860,184</b>	<b>\$ 34,761,004</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 559,905	\$ -	\$ 7,902	\$ 18,188	\$ 71,786	\$ 657,781
Accrued Payroll	150,687	-	-	-	655	151,342
Deposits	265,337	-	-	-	-	265,337
Due to Other Funds	5,996,431	-	-	-	566,026	6,562,457
Unearned Revenue	117,179	-	-	-	-	117,179
<b>TOTAL LIABILITIES</b>	<b>\$ 7,089,539</b>	<b>\$ -</b>	<b>\$ 7,902</b>	<b>\$ 18,188</b>	<b>\$ 638,467</b>	<b>\$ 7,754,096</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Levied for Future Periods	\$ 219,346	\$ -	\$ -	\$ 608,713	\$ 202,787	\$ 1,030,846
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 219,346</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 608,713</b>	<b>\$ 202,787</b>	<b>\$ 1,030,846</b>
<b>FUND BALANCES</b>						
Nonspendable	\$ 737,831	\$ -	\$ -	\$ -	\$ 40,883	\$ 778,714
Restricted for:						
Public Safety	58,210	-	-	-	428,362	486,572
Debt Service	-	-	-	861,750	199,882	1,061,632
Streets and Highways	3,211	-	-	-	3,535,711	3,538,922
Special Service Area Improvements	-	-	-	-	1,098,258	1,098,258
Palatine Road Tax Increment Financing	-	-	-	-	720,954	720,954
Committed for:						
Emergency Reserve	3,000,000	-	-	-	-	3,000,000
Solid Waste Disposal	-	-	-	-	176,322	176,322
Capital Projects	-	-	5,722,741	-	-	5,722,741
Unassigned	9,573,389	-	-	-	(181,442)	9,391,947
<b>TOTAL FUND BALANCES</b>	<b>\$ 13,372,641</b>	<b>\$ -</b>	<b>\$ 5,722,741</b>	<b>\$ 861,750</b>	<b>\$ 6,018,930</b>	<b>\$ 25,976,062</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 20,681,526</b>	<b>\$ -</b>	<b>\$ 5,730,643</b>	<b>\$ 1,488,651</b>	<b>\$ 6,860,184</b>	<b>\$ 34,761,004</b>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 APRIL 30, 2021

Total Fund Balances - Governmental Funds		\$ 25,976,062
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets, net of accumulated depreciation		29,818,080
Investments in joint ventures are not financial resources and therefore are not reported in the funds.		
Investment in Chicago Executive Airport		43,672,115
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and Notes Payable	\$ (8,715,000)	
Bond Premiums, net of related amortization	(656,688)	
Accrued Interest on Long-Term Debt	(123,133)	
Compensated Absences	(339,440)	
Total OPEB Liability	(1,727,654)	
Net Pension Liability - Illinois Municipal Retirement Fund	(2,191)	
Net Pension Liability - Police Pension	<u>(8,629,273)</u>	
		(20,193,379)
Deferred pension and OPEB costs/revenues in governmental activities are not financial resources and therefore are not reported in the funds.		
Deferred Outflows - Illinois Municipal Retirement Fund	\$ 193,131	
Deferred Inflows - Illinois Municipal Retirement Fund	(980,056)	
Deferred Outflows - Police Pension	2,470,114	
Deferred Inflows - Police Pension	<u>(2,754,403)</u>	
		<u>(1,071,214)</u>
Net Position of Governmental Activities		<u><u>\$ 78,201,664</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2021

	General Fund	Development Fund	Capital Projects Fund	Road Construction Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Local Taxes	\$ 2,870,909	\$ -	\$ -	\$ 1,295,801	\$ 1,294,759	\$ 5,461,469
Intergovernmental	3,775,990	-	-	-	1,079,524	4,855,514
Licenses and Permits	1,131,253	-	-	-	-	1,131,253
Fines, Forfeitures and Penalties	246,353	-	-	-	-	246,353
Charges for Services	1,104,974	-	-	-	470,159	1,575,133
Investment Income	577,214	-	-	274	6,528	584,016
Miscellaneous	181,098	-	-	-	-	181,098
	<u>\$ 9,887,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,296,075</u>	<u>\$ 2,850,970</u>	<u>\$ 14,034,836</u>
<b>EXPENDITURES</b>						
Current						
General Government	\$ 1,927,000	\$ -	\$ -	\$ 4,095	\$ 569,334	\$ 2,500,429
Public Safety	4,923,904	-	-	-	38,169	4,962,073
Public Works	1,166,220	-	-	-	32,998	1,199,218
Capital Outlay	69,744	-	315,455	-	114,234	499,433
Debt Service						
Principal	160,000	-	-	1,080,000	160,000	1,400,000
Interest	28,973	-	-	229,360	540,809	799,142
	<u>\$ 8,275,841</u>	<u>\$ -</u>	<u>\$ 315,455</u>	<u>\$ 1,313,455</u>	<u>\$ 1,455,544</u>	<u>\$ 11,360,295</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>						
	<u>\$ 1,611,950</u>	<u>\$ -</u>	<u>\$ (315,455)</u>	<u>\$ (17,380)</u>	<u>\$ 1,395,426</u>	<u>\$ 2,674,541</u>
<b>OTHER FINANCING SOURCES/(USES)</b>						
Transfers	\$ 113,700	\$ 1,825,983	\$ -	\$ -	\$ (1,994,683)	\$ (55,000)
Bond Costs	-	-	-	(83,957)	-	(83,957)
Payments to Escrow Agent	-	-	-	(4,798,341)	-	(4,798,341)
Bond Proceeds	-	-	-	4,195,000	-	4,195,000
Bond Premium	-	-	-	689,654	-	689,654
	<u>\$ 113,700</u>	<u>\$ 1,825,983</u>	<u>\$ -</u>	<u>\$ 2,356</u>	<u>\$ (1,994,683)</u>	<u>\$ (52,644)</u>
<b>NET CHANGE IN FUND BALANCES</b>						
	\$ 1,725,650	\$ 1,825,983	\$ (315,455)	\$ (15,024)	\$ (599,257)	\$ 2,621,897
<b>FUND BALANCES - MAY 1, 2020</b>						
	11,646,991	(1,825,983)	6,038,196	876,774	6,618,187	23,354,165
<b>FUND BALANCES - APRIL 30, 2021</b>						
	<u>\$ 13,372,641</u>	<u>\$ -</u>	<u>\$ 5,722,741</u>	<u>\$ 861,750</u>	<u>\$ 6,018,930</u>	<u>\$ 25,976,062</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED APRIL 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 2,621,897

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 Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (1,321,988)	
Capital Outlays	<u>252,055</u>	(1,069,933)

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Proceeds from Sale of Capital Assets	\$ (4,894)	
Gain/(Loss) on Sale of Capital Assets	<u>4,894</u>	-

Long-term debt proceeds provide current financial resources to governmental funds and are therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balance, but issuing debt increases long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Bond Proceeds	\$ (4,195,000)	
Payment from Escrow Agent	<u>4,790,000</u>	595,000

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

Illinois Municipal Retirement Fund Contributions	\$ 200,766	
Police Pension Fund Contributions	<u>997,013</u>	1,197,779

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Long-Term Debt	\$ (7,351)	
Bond Issuance Costs	(689,654)	
Pension Expense - Police Pension	(703,035)	
Bond Premium - Amortization	97,602	
Pension Expense - IMRF	189,064	
OPEB Expense - IMRF/Police Pension	101,957	
Compensated Absences	<u>19,708</u>	(991,709)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		1,400,000
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The proportionate share of the change in net position related to joint ventures reported in the Statement of Activities neither provides nor uses current financial resources and is not reported in the fund financial statements.

		<u>(90,908)</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 3,662,126</u></u>
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The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 APRIL 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 2,686,082	\$ 1,850,591	\$ 90,564	\$ 4,627,237
Prepaid Expenses	19,946	32,569	14,392	66,907
Accounts Receivable (Net of Allowance of \$78,566 for Estimated Uncollectible Amounts)	99,129	210,249	-	309,378
	<u>\$ 2,805,157</u>	<u>\$ 2,093,409</u>	<u>\$ 104,956</u>	<u>\$ 5,003,522</u>
Long-Term Assets				
Capital Assets not Being Depreciated	\$ 102,195	\$ 434,261	\$ -	\$ 536,456
Capital Assets Net of Accumulated Depreciation	2,961,966	-	514,180	3,476,146
Net Pension Asset	-	10,475	-	10,475
	<u>\$ 3,064,161</u>	<u>\$ 444,736</u>	<u>\$ 514,180</u>	<u>\$ 4,023,077</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,869,318</u>	<u>\$ 2,538,145</u>	<u>\$ 619,136</u>	<u>\$ 9,026,599</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows of Resources Related to IMRF	\$ 10,908	\$ 1,902	\$ -	\$ 12,810
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 10,908</u>	<u>\$ 1,902</u>	<u>\$ -</u>	<u>\$ 12,810</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 13,719	\$ 11,219	\$ 4,495	\$ 29,433
Accrued Payroll	2,947	2,243	-	5,190
Accrued Interest	5,118	-	-	5,118
Deposits	1,800	-	-	1,800
Due to Other Funds	26,825	-	515,441	542,266
General Obligation Debt Payable - Current	65,000	-	-	65,000
Compensated Absences - Current	7,415	3,815	-	11,230
	<u>\$ 122,824</u>	<u>\$ 17,277</u>	<u>\$ 519,936</u>	<u>\$ 660,037</u>
Long-Term Liabilities				
General Obligation Debt Payable (net of current portion shown above)	\$ 215,000	\$ -	\$ -	\$ 215,000
Compensated Absences	4,944	2,543	-	7,487
Net Pension Liability	12,398	-	-	12,398
Total OPEB Liability	97,583	17,018	-	114,601
	<u>\$ 329,925</u>	<u>\$ 19,561</u>	<u>\$ -</u>	<u>\$ 349,486</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 452,749</u>	<u>\$ 36,838</u>	<u>\$ 519,936</u>	<u>\$ 1,009,523</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows of Resources Related IMRF	\$ 55,356	\$ 9,654	\$ -	\$ 65,010
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ 55,356</u>	<u>\$ 9,654</u>	<u>\$ -</u>	<u>\$ 65,010</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 2,784,161	\$ 434,261	\$ 514,180	\$ 3,732,602
Unrestricted/(Deficit)	2,587,960	2,059,294	(414,980)	4,232,274
<b>TOTAL NET POSITION</b>	<u>\$ 5,372,121</u>	<u>\$ 2,493,555</u>	<u>\$ 99,200</u>	<u>\$ 7,964,876</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED APRIL 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	Totals
OPERATING REVENUES				
Charges for Services	\$ 911,409	\$ 820,122	\$ 107	\$ 1,731,638
Total Operating Revenues	<u>\$ 911,409</u>	<u>\$ 820,122</u>	<u>\$ 107</u>	<u>\$ 1,731,638</u>
OPERATING EXPENSES				
Operations and Maintenance	\$ 597,862	\$ 224,098	\$ 82,859	\$ 904,819
Depreciation Expense	120,330	-	32,136	152,466
Total Operating Expenses	<u>\$ 718,192</u>	<u>\$ 224,098</u>	<u>\$ 114,995</u>	<u>\$ 1,057,285</u>
OPERATING INCOME/(LOSS)	<u>\$ 193,217</u>	<u>\$ 596,024</u>	<u>\$ (114,888)</u>	<u>\$ 674,353</u>
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 3,474	\$ 1,072	\$ -	\$ 4,546
Interest Expense	(15,373)	-	-	(15,373)
Total Nonoperating Revenues (Expenses)	<u>\$ (11,899)</u>	<u>\$ 1,072</u>	<u>\$ -</u>	<u>\$ (10,827)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 181,318</u>	<u>\$ 597,096</u>	<u>\$ (114,888)</u>	<u>\$ 663,526</u>
CAPITAL CONTRIBUTIONS	-	-	-	-
TRANSFERS (TO)/FROM OTHER FUNDS	-	-	55,000	55,000
CHANGE IN NET POSITION	<u>\$ 181,318</u>	<u>\$ 597,096</u>	<u>\$ (59,888)</u>	<u>\$ 718,526</u>
NET POSITION - MAY 1, 2020	<u>5,190,803</u>	<u>1,896,459</u>	<u>159,088</u>	<u>7,246,350</u>
NET POSITION - APRIL 30, 2021	<u><u>\$ 5,372,121</u></u>	<u><u>\$ 2,493,555</u></u>	<u><u>\$ 99,200</u></u>	<u><u>\$ 7,964,876</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 902,622	\$ 811,845	\$ 47	\$ 1,714,514
Payments to Suppliers for Goods and Services	(444,197)	(246,175)	(40,080)	(730,452)
Payments to Employees for Services	(123,564)	(75,146)	(45,000)	(243,710)
Payments to Other Funds for Services	(33,092)	-	-	(33,092)
Internal Activity - Payments (to)/from Other Funds	30,614	(879)	4,319	34,054
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>\$ 332,383</b>	<b>\$ 489,645</b>	<b>\$ (80,714)</b>	<b>\$ 741,314</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers (to)/from Other Funds	\$ -	\$ -	\$ 55,000	\$ 55,000
<b>Net Cash Provided/(Used) by Non-Capital Financing Activities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ 55,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest Paid on Capital Debt, Net of Rebate	\$ (16,388)	\$ -	\$ -	\$ (16,388)
Principal Paid on Capital Debt	(60,000)	-	-	(60,000)
Purchase of Capital Assets	-	(230,567)	-	(230,567)
<b>Net Cash Provided/(Used) by Capital and Related Financing Activities</b>	<b>\$ (76,388)</b>	<b>\$ (230,567)</b>	<b>\$ -</b>	<b>\$ (306,955)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment Income	\$ 3,474	\$ 1,072	\$ -	\$ 4,546
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>\$ 3,474</b>	<b>\$ 1,072</b>	<b>\$ -</b>	<b>\$ 4,546</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 259,469</b>	<b>\$ 260,150</b>	<b>\$ (25,714)</b>	<b>\$ 493,905</b>
<b>CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2020 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)</b>	<b>2,426,613</b>	<b>1,590,441</b>	<b>116,278</b>	<b>4,133,332</b>
<b>CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2021 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)</b>	<b>\$ 2,686,082</b>	<b>\$ 1,850,591</b>	<b>\$ 90,564</b>	<b>\$ 4,627,237</b>
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>				
Operating Income/(Loss)	\$ 193,217	\$ 596,024	\$ (114,888)	\$ 674,353
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation Expense	120,330	-	32,136	152,466
Change in assets, liabilities and deferred amounts:				
Receivables, net	(8,787)	(8,276)	-	(17,063)
Due to / from Other Funds	15,307	(54)	4,319	19,572
Prepaid Expenses	(1,156)	(28,889)	(5,392)	(35,437)
Accounts Payable and Other Payables	(62,402)	(82,269)	3,111	(141,560)
Pension Liabilities	(42,610)	(8,295)	-	(50,905)
OPEB Liabilities	97,583	17,018	-	114,601
Deferred Pension Expenses/Revenues	20,901	4,386	-	25,287
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>\$ 332,383</b>	<b>\$ 489,645</b>	<b>\$ (80,714)</b>	<b>\$ 741,314</b>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 APRIL 30, 2021

	<u>POLICE PENSION TRUST FUND</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 2,806,183
Investments	
U.S. Treasury Obligations	2,525,619
U.S. Agency Obligations	2,060,413
Corporate Bonds	1,035,964
Mutual Funds	13,772,555
Receivables	
Accrued Interest	15,128
Prepaid Expenses	<u>5,671</u>
<b>TOTAL ASSETS</b>	<u>\$ 22,221,533</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>\$ 3,686</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,686</u>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<u><u>\$ 22,217,847</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2021

	<u>POLICE PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Employer	\$ 997,013
Plan Members	215,081
Total Contributions	<u>\$ 1,212,094</u>
Investment Income	
Interest and Dividends	\$ 284,623
Net Increase/(Decrease) in Fair Value of Investments	4,681,369
	<u>\$ 4,965,992</u>
Less: Investment Management Fees	40,283
Net Investment Income	<u>\$ 4,925,709</u>
 TOTAL ADDITIONS	 <u>\$ 6,137,803</u>
 DEDUCTIONS	
Benefits	\$ 1,166,688
Administrative Expenses	39,645
TOTAL DEDUCTIONS	<u>\$ 1,206,333</u>
 NET INCREASE/(DECREASE)	 \$ 4,931,470
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - MAY 1, 2020	 <u>17,286,377</u>
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - APRIL 30, 2021	 <u><u>\$ 22,217,847</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
NOTES TO BASIC FINANCIAL STATEMENTS  
APRIL 30, 2021

**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 accounting principles (GAAP) in the United States of America as applied 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 financial accountability 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; and (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: (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 is 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 discreetly 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 are present: (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.

**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 PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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 for 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 rather than the government-wide financial statements. No separate annual financial report is issued for the PPERS.

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### **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 financially accountable.

The Statement of Activities demonstrates the degree to which the direct expense 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 expense 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. Cash grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Business-type activities are financed in part or in whole 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.

#### **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 expenditures/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/expense 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 meet 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 report as a major fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

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

The City reports the following major governmental funds:

General Fund – accounts for the City’s primary operating activities. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund.

Development – Capital Projects Fund – used to account for assets held for resale.

Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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 of the City’s General Obligation Debt Certificate, Series 2020.

The City reports the following major enterprise funds:

Water Fund – accounts for operations of the water system.

Sewer Fund – accounts for revenues and expenses associated with operating and maintaining the former Old Town Sanitary Sewer District.

The City reports the following nonmajor governmental and enterprise 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	Special Service Area #1
DEA Seizure	Special Service Area #2
Tourism	Special Service Area #3
Solid Waste Dsposal (SWANCC)	Special Service Area #4
Palatine Road TIF	Special Service Area #5
	Special Service Area #8

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

Special Service Area #5 Debt  
Milwaukee/Palatine Road TIF

Enterprise Funds – used to account for and report any activity for which a fee is charged to external users for goods or services and must be used for activities which meet certain debt or cost recovery criteria.

- Parking

In addition, the City reports the following fund type:

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

### *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. Interfund services provided and used are not eliminated in the process of consolidation.

#### **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 to 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	3%	1.90%
Fixed Income	32%	2.70%
International Fixed Income	1%	5.20%
Large-Cap Equities	51%	5.60%
Small-Cap Equities	5%	6.50%
International Equities	4%	7.20%
Emerging Market Equities	1%	9.20%
Real Estate	3%	6.00%

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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 investments 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 follow guidelines for allowable investments.

### *Interest Rate Risk*

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. 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 pensions' investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

### *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. The City's investment policy requires that the City will diversify its investments by security type and institution. Except for 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*

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'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.

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 2021 attach as an enforceable lien on January 1, 2021 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 2021 tax levy, which attached as an enforceable lien on the property as of January 1, 2021, has not been recorded as a receivable as of April 30, 2021 as the tax has not yet been levied by the City and will not be levied until December 2021, and therefore the levy is not measurable at April 30, 2021.

Tax bills for the levy year 2020 are prepared by the county and issued on or about February 1, 2021 and July 1, 2021, and are payable in two installments, on or about March 1, 2021 and August 1, 2021, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2020 property tax levy is recognized as a receivable and deferred inflows in fiscal 2021, 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. At April 30, 2021, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2020 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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 paid.

**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. Capital assets are reported at historical cost or estimated historical cost if actual amounts are unavailable. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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 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 are 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:

Land Improvements, Buildings and Building Improvements	20-50 years
Machinery and Equipment	10-20 years
Water and Sewer Mains	40-50 years
Reservoir	50 years
Roads	30 years
Bridges	50-100 years
Street Lights	50 years
Sidewalks	40 years
Storm Sewers	35-40 years
Office Equipment	5-10 years
Vehicles	6-10 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 propriety fund operations are accounted for the same way as in the government-wide financial statement.

**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

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term debt obligation in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at April 30, 2021 are determined on the basis of current salary rates and include salary related payments.

## 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 amount 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, rather than expensed in the current year. Bond issuance costs are reported as debt service expenditures in the year they occur. 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.

## 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 by either 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.
- d. Assigned – Include 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. Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the City itself. All assigned fund balances are the residual amounts of the fund.
- 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 exceed 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 30% of current budgeted General Fund expenditures.

See section 11 below for further information.

## **10. Interfund Activity**

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon

## NOTES TO FINANCIAL STATEMENTS (Continued)

consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

### **11. Minimum Fund Balance**

The City has adopted a formal minimum fund balance policy.

#### Emergency Reserve (Stabilization Arrangement)

Maintaining an Emergency Reserve is a necessity for sound financial management and fiscal accountability. The City Council has the authority to establish an Emergency Reserve that will be a Committed Fund Balance. An Emergency Reserve is established for the purpose of providing funds for an urgent event that affects the health and safety of residents (e.g. floods, fires, storm damage, etc.). The minimum level for the Emergency Reserve is 30% of the next year's budgeted General Fund expenditures. The recognition of an urgent event must be established by the City Council or their designee (e.g. City Administrator). If established by the governing board's designee, the specific urgent event must be reported to the City Council at their next meeting. A budget revision must be approved by the City Council. In the event that the balance drops below the established minimum level, the City Council will develop a plan to replenish the Emergency Reserve balance to the established minimum level within two years.

#### Enterprise Water Operating Reserve

The City's Enterprise Operating Fund working capital will be maintained to provide the City with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The cash reserve balance (working capital) goal for the water enterprise operating funds will be at least twenty five percent (25%) of the actual operating expenditures for the fiscal year.

#### Enterprise Water Debt Stabilization Reserve

The City will maintain a "Debt Stabilization Fund" with an upper goal of approximately fifty percent (50%) of the maximum annual average debt service payment in the following five years. The Debt Stabilization Fund is intended to provide additional security to ensure the City's ability to meet debt service obligations. In the event the Debt Stabilization Fund is used, the City shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

#### Asset Maintenance Fund

The City will maintain an additional "Asset Maintenance Fund" with an upper goal equal to two percent (2%) of the enterprise fund infrastructure assets. The Asset Maintenance Fund may be used to provide funding for the repair and maintenance of critical infrastructure. In the event the Asset Maintenance Fund is used, the City shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

#### Solid Waste Operating Reserve

The working capital goal for the residential and commercial solid waste enterprise funds is twenty percent (20%) of the actual expenditures for the current fiscal year.

**12. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**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 budgets 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. No amendments were made to the budget during the year ended April 30, 2021.

*B. EXCESS OF EXPENDITURES OVER BUDGET*

For the year ended April 30, 2021, the following funds had expenditures that exceeded the budget.

Fund	Budget	Actual	Excess of Actual Over Budget
Road Construction Debt	\$ 1,311,860	\$ 1,313,455	\$ 1,595
Special Service Area #5	17,000	21,437	4,437
Special Service Area #6 Debt	212,490	213,040	550
Milwaukee/Palatine Road TIF	215,175	557,038	341,863
Police Pension Trust Fund	1,126,600	1,206,333	79,733

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.

*C. DEFICIT BALANCES*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

As of April 30, 2021, the following individual funds held a deficit fund balance:

Funds	Amount	Reason
Tourism	\$ (73,381)	Current and prior operating expenditures exceeded available revenues or financing
Special Service Area #1	(108,061)	Current and prior operating expenditures exceeded available revenues or financing

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

**D. 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 limitations 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 lesser 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 rate applicable to the 2020 and 2019 tax levies was 2.3% and 1.9%, respectively.

**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 Balance	Associated Risks
Deposits	\$ 9,576,434	\$ 8,126,714	
Illinois Funds Investment Pool	10,637,128	10,637,128	Credit risk
PMA Investment Pool	4,533,335	4,533,335	Credit, concentration of credit risk
IIIT	1,005,274	1,005,274	Credit risk
Other money market accounts	6,599,054	8,364,858	Credit, interest rate, and concentration of credit risk
US government securities	4,586,032	4,586,032	Interest rate
Corporate bonds	1,035,964	1,035,964	Credit, interest rate, and concentration of credit risk
Mutual funds - other than bond funds	13,772,555	13,772,555	N/A
Petty cash	1,600	-	N/A
Total Deposits and Investments	\$ 51,747,376	\$ 52,061,860	

**Reconciliation to financial statements**

Per Statement of Net Position	
Cash and investments	\$ 29,546,642
Per Statement of Net Position - Fiduciary Funds	
Cash and cash equivalents	2,806,183
Investments	19,394,551
Total Deposits and Investments	\$ 51,747,376

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 non-interest-bearing). In addition, if deposits are held at an institution outside of the state in

NOTES TO FINANCIAL STATEMENTS (Continued)

which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits with financial institutions are fully insured or collateralized by securities held in the City's name.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of April 30, 2021:

Investments by fair value level	4/30/2021	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
US Treasury Securities	\$ 2,525,619	\$ 2,525,619	\$ -
Government Securities	2,060,413	-	2,060,413
Corporate bonds	1,035,964	-	1,035,964
Mutual funds - other than bond funds	13,772,555	13,772,555	-
<b>Total</b>	<b>\$ 19,394,551</b>	<b>\$ 16,298,174</b>	<b>\$ 3,096,377</b>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 obligation.

As of April 30, 2021, the City's investments were rated as follows:

Investments	Credit Rating	Rating Source
Illinois Funds Investment Pool	AAAm	Standard and Poor's
US Treasury	AA+	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's
FHLMC	AA+	Standard and Poor's
FFCR	AA+	Standard and Poor's
FNMO	AA+	Standard and Poor's
Oracle Corporation	A	Standard and Poor's
Deere & Co.	A	Standard and Poor's
IBM Corp	A	Standard and Poor's
JP Morgan Chase	A-	Standard and Poor's
Apple Inc.	AA+	Standard and Poor's
Mutual Funds	Not Rated	N/A

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2021, the pension's investment portfolio had no concentrations.

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, 2021, the City's investments were as follows:

*City*

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
External Investment Pools	\$ 16,175,737	\$ 16,175,737	\$ -	\$ -	\$ -
	<u>\$ 16,175,737</u>	<u>\$ 16,175,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Police Pension*

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
US Treasury	\$ 2,525,619	\$ 944,259	\$ 1,366,485	\$ 214,875	\$ -
Federal Home Loan Banks	1,249,436	751,625	497,811	-	-
Federal Home Loan Mortgage Corp	1,863	-	1,863	-	-
Federal Farm Credit Bank	342,007	-	-	342,007	-
Federal National Mortgage Association	467,107	-	-	467,107	-
Corporate Bonds	1,035,964	-	616,465	419,499	-
Mutual Funds	13,772,555	13,772,555	-	-	-
	<u>\$ 19,394,551</u>	<u>\$ 15,468,439</u>	<u>\$ 2,482,624</u>	<u>\$ 1,443,488</u>	<u>\$ -</u>

Money-Weighted Rate of Return

Police Pension Fund

For the year ended April 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investments expense, was 31.92%. 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.

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.

**C. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance May 1, 2020	Increases	Decreases	Adjustments	Balance April 30, 2021
<b>Governmental Activities</b>					
Capital Assets not being depreciated					
Land	\$ 2,107,040	\$ -	\$ -	\$ -	\$ 2,107,040
Right of ways	5,557,297	-	-	-	5,557,297
Easements	42,000	-	-	-	42,000
Construction in Progress	-	18,440	-	-	18,440
<b>Total Capital Assets not being depreciated</b>	<b>\$ 7,706,337</b>	<b>\$ 18,440</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,724,777</b>
Other Capital Assets					
Building and Improvements	\$ 7,955,539	\$ -	\$ -	\$ (9,287)	\$ 7,946,252
Infrastructure	43,254,608	197,540	-	9,287	43,461,435
Machinery and Equipment	657,511	-	-	-	657,511
Office Furniture and Equipment	752,218	-	-	-	752,218
Vehicles	1,938,625	36,075	43,930	-	1,930,770
<b>Total Other Capital Assets at Historical Cost</b>	<b>\$ 54,558,501</b>	<b>\$ 233,615</b>	<b>\$ 43,930</b>	<b>\$ -</b>	<b>\$ 54,748,186</b>
<b>Total Capital Assets</b>	<b>\$ 62,264,838</b>	<b>\$ 252,055</b>	<b>\$ 43,930</b>	<b>\$ -</b>	<b>\$ 62,472,963</b>
Less Accumulated Depreciation for:					
Building and Improvements	\$ 2,549,528	\$ 191,325	\$ -	\$ -	\$ 2,740,853
Infrastructure	26,387,416	900,077	-	-	27,287,493
Machinery and Equipment	439,521	52,563	-	-	492,084
Office Furniture and Equipment	692,629	34,129	-	-	726,758
Vehicles	1,307,731	143,894	43,930	-	1,407,695
<b>Total Accumulated Depreciation</b>	<b>\$ 31,376,825</b>	<b>\$ 1,321,988</b>	<b>\$ 43,930</b>	<b>\$ -</b>	<b>\$ 32,654,883</b>
<b>Other Capital Assets, Net</b>	<b>\$ 23,181,676</b>	<b>\$ (1,088,373)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,093,303</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 30,888,013</b>	<b>\$ (1,069,933)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,818,080</b>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 85,277
Public Safety	160,841
Public Works	1,075,870
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 1,321,988</b>

	Balance May 1, 2020	Increases	Decreases	Balance April 30, 2021
<b>Business-Type Activities</b>				
Capital Assets not being depreciated				
Land	\$ 27,367	\$ -	\$ -	\$ 27,367
Easements	74,828	-	-	74,828
Construction in Progress	203,694	230,567	-	434,261
<b>Total Capital Assets not being depreciated</b>	<b>\$ 305,889</b>	<b>\$ 230,567</b>	<b>\$ -</b>	<b>\$ 536,456</b>
Other Capital Assets				
Buildings and Improvements	\$ 1,901,789	\$ -	\$ -	\$ 1,901,789
Water Mains	4,417,245	-	-	4,417,245
Water Reservoirs	230,000	-	-	230,000
Machinery and Equipment	108,137	-	-	108,137
Office Furniture and Equipment	158,381	-	-	158,381
Vehicles	157,290	-	-	157,290
<b>Total Other Capital Assets at Historical Cost</b>	<b>\$ 6,972,842</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,972,842</b>
<b>Total Capital Assets</b>	<b>\$ 7,278,731</b>	<b>\$ 230,567</b>	<b>\$ -</b>	<b>\$ 7,509,298</b>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,149,450	\$ 46,254	\$ -	\$ 1,195,704
Water Mains	1,765,509	88,345	-	1,853,854
Water Reservoir	165,600	4,600	-	170,200
Machinery and Equipment	48,076	2,162	-	50,238
Office Furniture and Equipment	158,381	-	-	158,381
Vehicles	57,214	11,105	-	68,319
<b>Total Accumulated Depreciation</b>	<b>\$ 3,344,230</b>	<b>\$ 152,466</b>	<b>\$ -</b>	<b>\$ 3,496,696</b>
<b>Other Capital Assets, Net</b>	<b>\$ 3,628,612</b>	<b>\$ (152,466)</b>	<b>\$ -</b>	<b>\$ 3,476,146</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 3,934,501</b>	<b>\$ 78,101</b>	<b>\$ -</b>	<b>\$ 4,012,602</b>

Depreciation expense was charged to functions as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

**Business-Type Activities**

Water	\$ 120,330
Parking	32,136
Total Business-Type Activities Depreciation Expense	<u>\$ 152,466</u>

**D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS**

**1. Interfund Receivables/Payables/Advances**

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

Receivable Fund	Payable Fund	Amount
Capital Projects Fund	General Fund	\$ 5,300,643
Capital Projects Fund	Nonmajor Governmental Funds	430,000
Nonmajor Governmental Funds	General Fund	695,788
General Fund	Nonmajor Governmental Funds	136,026
General Fund	Water Fund	26,825
General Fund	Nonmajor Enterprise Funds	515,441
Total - Fund Financial Statements		<u>\$ 7,104,723</u>
Less: Fund Eliminations		<u>(6,562,457)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 542,266</u>

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-Type Activities	\$ 542,266
Total Government-Wide Financial Statements		<u>\$ 542,266</u>

The principal purpose of these interfund balances 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 with the exception of the interfund balance between the General and the Development Fund.

For the Statement of Net Position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

**2. Transfers**

The following is a schedule of interfund transfers:

Transfer From	Transfer To	Amount
Nonmajor Governmental Funds	General Fund	\$ 168,700
Nonmajor Governmental Funds	Development Fund	1,825,983
General Fund	Nonmajor Enterprise Fund	55,000
Total - Fund Financial Statements		<u>\$ 2,049,683</u>
Less: Fund eliminations		<u>(1,994,683)</u>
Total Interfund Advances - Government-Wide Statement of Activities		<u>\$ 55,000</u>

Generally, transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due and, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the current year, transfers were to pay back a note payable in the Development Fund, move monies between the Tourism and General Funds, and help fund FY21 operations in the Parking Fund.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

**LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended April 30, 2021 was as follows:

	Balance May 1, 2020	Additions	Retirements	Refunded	Balance April 30, 2021	Amounts Due Within One Year
<b>Governmental Activities</b>						
Bonds and Notes Payable						
General Obligation Debt	\$ 9,040,000	\$ 4,195,000	\$ 1,240,000	\$ 4,790,000	\$ 7,205,000	\$ 1,155,000
Special Service Area Bonds	1,670,000	-	160,000	-	1,510,000	170,000
Unamortized Bond Premium	64,636	689,654	97,602	-	656,688	116,572
Total Bonds and Notes Payable	<u>\$ 10,774,636</u>	<u>\$ 4,884,654</u>	<u>\$ 1,497,602</u>	<u>\$ 4,790,000</u>	<u>\$ 9,371,688</u>	<u>\$ 1,441,572</u>
Other Long-Term Liabilities						
Compensated Absences	\$ 359,148	\$ 195,781	\$ 215,489	\$ -	\$ 339,440	\$ 203,664
Total OPEB Liability	1,829,611	-	101,957	-	1,727,654	-
Police Pension Net Pension Liability	11,629,049	-	2,999,776	-	8,629,273	-
IMRF Net Pension Liability	794,727	-	792,536	-	2,191	-
Total Other Long-Term Liabilities	<u>\$ 14,612,535</u>	<u>\$ 195,781</u>	<u>\$ 4,109,758</u>	<u>\$ -</u>	<u>\$ 10,698,558</u>	<u>\$ 203,664</u>
Governmental Activities Long-Term Obligations	<u>\$ 25,387,171</u>	<u>\$ 5,080,435</u>	<u>\$ 5,607,360</u>	<u>\$ 4,790,000</u>	<u>\$ 20,070,246</u>	<u>\$ 1,645,236</u>
<b>Business-Type Activities</b>						
Bonds and Notes Payable						
General Obligation Debt	\$ 340,000	\$ -	\$ 60,000	\$ -	\$ 280,000	\$ 65,000
Total Bonds and Notes Payable	<u>\$ 340,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 280,000</u>	<u>\$ 65,000</u>
Other Long-Term Liabilities						
Compensated Absences	\$ 12,310	\$ 13,793	\$ 7,386	\$ -	\$ 18,717	\$ 11,230
IMRF Net Pension Liability	52,828	-	50,905	-	1,923	-
Total OPEB Liability	-	114,601	-	-	114,601	-
Total Other Long-Term Liabilities	<u>\$ 65,138</u>	<u>\$ 128,394</u>	<u>\$ 58,291</u>	<u>\$ -</u>	<u>\$ 135,241</u>	<u>\$ 11,230</u>
Business-Type Activities Long-Term Obligations	<u>\$ 405,138</u>	<u>\$ 128,394</u>	<u>\$ 118,291</u>	<u>\$ -</u>	<u>\$ 415,241</u>	<u>\$ 76,230</u>

Estimated payments of compensated absences, net pension liability, and total OPEB liability are not included in the debt service requirements schedules that follow. The compensated absences liability, net pension liability and total OPEB liability 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, and the net pension liability and total OPEB liability will be repaid from the Water and Sewer Funds.

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, 2021, the statutory limit for the City was as follows:

2020 EAV	\$ 454,191,099
	<u>X 8.625%</u>
Debt Margin	\$ 39,173,982
Current Debt	8,141,688
Remaining Debt Margin	<u>\$ 31,032,294</u>

**1. 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

NOTES TO FINANCIAL STATEMENTS (Continued)

fees of those funds or, if the revenues are not sufficient, by future tax levies. The City issued 2020 General Obligation Debt Certificates during fiscal year 2021. This issuance was used to refund the General Obligation Debt Certificates, Series 2011A and 2012. General obligation debt at April 30, 2021 consist of the following:

	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
<b>Governmental Activities</b>					
<b>General Obligation Debt</b>					
2008 General Obligation Debt	3/25/2008	12/15/2023	4.327%	\$ 2,045,000	\$ 515,000
2011A General Obligation Debt	6/29/2011	12/15/2026	2.50% - 4.00%	5,000,000	-
2012 General Obligation Debt	2/28/2012	12/15/2026	2.00% -2.50%	5,000,000	-
2013 General Obligation Debt	4/16/2013	12/15/2026	2.00% - 2.35%	5,000,000	2,495,000
2020 General Obligation Debt	12/17/2020	12/15/2026	5.00%	4,195,000	4,195,000
Total Governmental Activities - General Obligation Debt				<u>\$ 21,240,000</u>	<u>\$ 7,205,000</u>
<b>Business-Type Activities</b>					
<b>General Obligation Debt</b>					
2010 General Obligation Debt	7/1/2010	12/15/2024	4.00% - 5.20%	\$ 800,000	\$ 280,000
Total Business-Type Activities - General Obligation Debt				<u>\$ 800,000</u>	<u>\$ 280,000</u>

Debt service requirements maturity are as follows:

Year Ending April 30	Governmental Activities - General Obligation Debt			Business-Type Activities - General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,155,000	\$ 283,401	\$ 1,438,401	\$ 65,000	\$ 13,750	\$ 78,750
2023	1,200,000	239,627	1,439,627	70,000	10,760	80,760
2024	1,265,000	192,771	1,457,771	70,000	7,400	77,400
2025	1,140,000	143,032	1,283,032	75,000	3,900	78,900
2026	1,190,000	98,634	1,288,634	-	-	-
2027 - 2031	1,255,000	50,955	1,305,955	-	-	-
	<u>\$ 7,205,000</u>	<u>\$ 1,008,420</u>	<u>\$ 8,213,420</u>	<u>\$ 280,000</u>	<u>\$ 35,810</u>	<u>\$ 315,810</u>

**2. 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. The bonds issued in 2009 were refunded in fiscal year 2019. The aggregate difference in debt service between the refunding debt and the refunded debt was a favorable \$240,942. Special service area bonds at April 30, 2021 consist of the following:

	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
<b>Governmental Activities</b>					
<b>Special Service Area Bonds</b>					
Special Service Area Refunding Bonds	9/27/2018	12/15/2028	2.00% - 3.50%	\$ 1,820,000	\$ 1,510,000
				<u>\$ 1,820,000</u>	<u>\$ 1,510,000</u>

At April 30, 2021 the annual debt service requirements to service special service area bonds are:

Year Ending April 30	Governmental Activities - Special Service Area Bonds		
	Principal	Interest	Total
2022	\$ 170,000	\$ 48,570	\$ 218,570
2023	175,000	43,895	218,895
2024	180,000	38,733	218,733
2025	185,000	33,243	218,243
2026	190,000	27,322	217,322
2027 - 2031	610,000	42,825	652,825
	<u>\$ 1,510,000</u>	<u>\$ 234,588</u>	<u>\$ 1,744,588</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

E. FUND BALANCES

*Governmental Funds*

Governmental fund balances reported on the fund financial statements at April 30, 2021 include the following:

**Nonspendable**

Major Funds

General Fund

Advance to other funds	\$ 612,278
Prepaid Items	125,553
Subtotal General Fund	<u>\$ 737,831</u>

Nonmajor Funds

DEA Seizure Fund

Prepaid Items	\$ 11,100
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SWANCC Fund

Prepaid Items	28,705
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Special Service Area #5

Prepaid Items	539
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Special Service Area #8

Prepaid Items	539
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Subtotal Nonmajor Funds	<u>\$ 40,883</u>
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Total	<u>\$ 778,714</u>
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**Restricted**

Major Funds

General Fund

Public Safety	\$ 58,210
Streets and Highways	3,211
Subtotal General	<u>\$ 61,421</u>

Road Construction Debt Fund

Debt Service	<u>\$ 861,750</u>
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Nonmajor Funds

Streets and Highways	\$ 3,535,711
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Special Service Area Improvements	1,098,258
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Palatine Road Tax Increment Financing	720,954
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Public Safety	428,362
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Debt Service	199,882
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Subtotal Nonmajor	<u>\$ 5,983,167</u>
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Total	<u>\$ 6,906,338</u>
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**Committed**

Major Funds

General Fund

Revenue Stabilization	\$ 3,000,000
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Capital Projects Fund

Capital Projects	5,722,741
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Nonmajor Fund

Solid Waste Disposal	176,322
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Total	<u>\$ 8,899,063</u>
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**Unassigned**

Major Funds

General Fund

	\$ 9,573,389
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Nonmajor Funds

Special Service Area #1	(108,061)
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Tourism Fund	(73,381)
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Total	<u>\$ 9,391,947</u>
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F. PROPERTY TAXES

A summary of the assessed valuation, rates, and extensions for the years 2020, 2019 and 2018 follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Tax Year	2020		2019		2018	
Assessed Valuation	\$454,191,099		\$435,030,143		\$391,916,422	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Bonds and Interest	0.2892	\$ 1,374,828	0.3160	\$ 1,374,828	0.3437	\$ 1,370,497
Police Pension	0.0906	373,255	0.0938	373,255	0.0928	363,698
Total Taxes Extended	<u>0.3798</u>	<u>\$ 1,748,083</u>	<u>0.4098</u>	<u>\$ 1,748,083</u>	<u>0.4365</u>	<u>\$ 1,734,195</u>
Special Service Area #1	-	\$ -	-	\$ -	-	\$ -
Special Service Area #2	-	\$ -	-	\$ -	-	\$ -
Special Service Area #3	-	\$ -	-	\$ -	-	\$ -
Special Service Area #4	-	\$ -	-	\$ -	-	\$ -
Special Service Area #5	-	\$ 28,119	-	\$ 26,523	-	\$ 25,750
Special Service Area #6	-	\$ 229,499	-	\$ 223,115	-	\$ 228,389
Special Service Area #8	-	\$ 144,200	-	\$ 136,003	-	\$ 132,042
TIF - Palatine Road	-	\$ 100,000	-	\$ 120,903	-	\$ 143,028
TIF - Milwaukee/Palatine Road	-	\$ 173	-	\$ 1,435,924	-	\$ 945,480

**NOTE IV – OTHER INFORMATION**

**A. EMPLOYEES’ RETIREMENT SYSTEM**

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 of 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**

**Plan Description.** The City’s defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The District’s plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan’s fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

**Benefits Provided.** IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff’s Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings.

NOTES TO FINANCIAL STATEMENTS (Continued)

Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

**Employees Covered by Benefit Terms.** All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	46	
Inactive plan members entitled to but not yet receiving benefits	31	
Active plan members	19	
	96	Total

**Contributions.** As set by statute, the City’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City’s annual contribution rate for calendar year 2020 and 2021 was 14.13% and 13.82%, respectively. For the fiscal year ended April 30, 2021, the City contributed \$205,687 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability.** The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2020, and a measurement date of December 31, 2020, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	12,887,888
IMRF Fiduciary Net Position		12,883,774
City’s Net Pension Liability		4,114
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		99.97%

See the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

**Actuarial Assumptions.** The total pension liability above was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial methods and assumptions:

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Assumptions

Inflation	2.50%
Salary Increases	3.35% - 14.25% including inflation
Interest Rate	7.25%

Actuarial Cost Method                      Entry age Normal

Asset Valuation Method                      Market Value of Assets

Projected Retirement Age                      Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study for the period 2014-2016.

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020 were used.

**Long-Term Expected Rate of Return.** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2020:

Asset Class	Target Allocation	Projected Return
Equities	37%	5.00%
International Equities	18%	6.00%
Fixed Income	28%	1.30%
Real Estate	9%	6.20%
Alternatives	7%	
Private Equity		6.95%
Hedge Funds		N/A
Commodities		2.85%
Cash Equivalents	1%	0.70%
	100.00%	

**Single Discount Rate.** A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2020. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 2.00%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2019	\$ 12,355,625	\$ 11,508,070	\$ 847,555
Changes for the year:			
Service Cost	\$ 144,037	\$ -	\$ 144,037
Interest on the Total Pension Liability	876,606	-	876,606
Differences Between Expected and Actual Experience of the Total Pension Liability	279,465	-	279,465
Changes of Assumptions	(94,783)	-	(94,783)
Contributions - Employer	-	212,104	(212,104)
Contributions - Employee	-	67,549	(67,549)
Net Investment Income	-	1,649,878	(1,649,878)
Benefit Payments, including Refunds of Employee Contributions	(673,062)	(673,062)	-
Other (Net Transfer)	-	119,235	(119,235)
Net Changes	\$ 532,263	\$ 1,375,704	\$ (843,441)
Balances at December 31, 2020	\$ 12,887,888	\$ 12,883,774	\$ 4,114

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 1,371,401	\$ 4,114	\$ (1,090,308)

**Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended April 30, 2021, the City recognized pension expense/(income) of \$201,605. At April 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Expense in Future Periods</b>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 135,270	\$ -	\$ 135,270
Changes of assumptions	-	45,878	(45,878)
Net difference between projected and actual earnings on pension plan investments	-	999,188	(999,188)
Total deferred amounts to be recognized in pension expenses in future periods	\$ 135,270	\$ 1,045,066	\$ (909,796)
Pension contributions made subsequent to the measurement date	70,671	-	70,671
Total deferred amounts related to pensions	\$ 205,941	\$ 1,045,066	\$ (839,125)

\$70,671 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2021	\$ (225,654)
2022	(121,388)
2023	(397,656)
2024	(165,098)
2025	-
Thereafter	-
<b>Total</b>	<b>\$ (909,796)</b>

**POLICE PENSION PLAN**

**Plan Description.** Full-time police sworn personnel of the City are covered by The Police Pension Plan (Plan), which is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Plan as a pension trust fund. No separate report is issued on this pension plan.

The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Board consists of seven elected or appointed members.

**Plan Membership.** At April 30, 2021, the date of the latest actuarial evaluation, Plan participation consisted of:

Retirees and beneficiaries receiving benefits	17
Terminated plan members entitled to but not yet receiving benefits	2
Active plan members	<u>22</u>
Total	<u><u>41</u></u>

**Benefits Provided.** The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

**Contributions.** Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2021 the City's contribution was 48.24% of covered payroll.

**Net Pension Liability.** The components of the net pension liability of the Plan as of April 30, 2021, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 30,847,116
Plan Fiduciary Net Position	22,217,843
City's Net Pension Liability	8,629,273
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.03%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information for additional information related to the funded status of the Plan.

**Actuarial Assumptions.** The total pension liability above was determined by an actuarial valuation performed as of May 1, 2020 using the following actuarial methods and assumptions:

Actuarial Valuation Date	May 1, 2020
Actuarial Cost Method	Entry Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.25% - 9.76%
Investment Rate of Return	6.75%
Asset Valuation Method	5-Year Smoothed Market Value

Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

NOTES TO FINANCIAL STATEMENTS (Continued)

Retiree mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the raw rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 improvement rates. These rates are then improved fully generationally using MP-2019 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Illinois Police Officers.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.50%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the High-Quality 20 Year Tax Exempt G.O. Bond Rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at May 1, 2020	\$ 28,915,424	\$ 17,286,375	\$ 11,629,049
Changes for the year:			
Service Cost	\$ 501,584	\$ -	\$ 501,584
Interest on the Total Pension Liability	1,888,539	-	1,888,539
Differences Between Expected and Actual Experience of the Total Pension Liability	(361,557)	-	(361,557)
Changes of Assumptions	1,069,814	-	1,069,814
Contributions - Employer	-	997,013	(997,013)
Contributions - Employee	-	207,324	(207,324)
Contributions - Other	-	7,757	(7,757)
Net Investment Income	-	4,925,707	(4,925,707)
Benefit Payments, including Refunds of Employee Contributions	(1,166,688)	(1,166,688)	-
Administrative Expense	-	(39,645)	39,645
Net Changes	\$ 1,931,692	\$ 4,931,468	\$ (2,999,776)
Balances at April 30, 2021	\$ 30,847,116	\$ 22,217,843	\$ 8,629,273

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the Plan's net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 13,566,998	\$ 8,629,273	\$ 4,678,579

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** For the year ended April 30, 2021, the City recognized pension expense of \$703,035. At April 30, 2021, the City reported net deferred outflows/(inflows) of resources related to pensions from the following sources:

<b>Expense in Future Periods</b>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 1,128,063	\$ 315,615	\$ 812,448
Assumption changes	1,342,051	178,971	1,163,080
Net difference between projected and actual earnings on pension investments	-	2,259,817	(2,259,817)
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 2,470,114</u>	<u>\$ 2,754,403</u>	<u>\$ (284,289)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30	Net Deferred Outflows of Resources
2021	\$ (190,704)
2022	(193,481)
2023	(185,660)
2024	(438,988)
2025	256,897
Thereafter	467,647
	<u>\$ (284,289)</u>

**B. RISK MANAGEMENT**

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participated in a public entity risk pool to provide coverage for losses from workers compensations 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.

**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

## NOTES TO FINANCIAL STATEMENTS (Continued)

only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide financial 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.

The City has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The City is monitoring the progress of these matters.

### 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, 2021, is 3.0873%. This percentage share is subject to change in future years based on the usage of the municipalities.

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, 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090.

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 the contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC or its obligations under the contract. Payments to SWANCC totaled \$429,036 for the year ended April 30, 2021. 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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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 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 agreements of the member municipalities or by operation of law.

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.

The City's investment in the joint venture is accounted for using the equity method. Under the equity method, the investment asset is adjusted for the City's share of the change in net position. The City's share of the change in net position is reported as a single line item, either revenue or expense depending on whether the net change is positive or negative.

### Summary of Financial Information of Joint Venture

#### Summary of net position as of April 30, 2021:

Assets	
Current Assets	\$ 7,389,423
Capital Assets	84,709,872
Total Assets	<u>\$ 92,099,295</u>
Liabilities	
Current Liabilities	\$ 1,282,976
Long-Term Liabilities	3,472,089
Total Liabilities	<u>\$ 4,755,065</u>
Net Position	<u>\$ 87,344,230</u>

**Summary of changes in net position for the year ended April 30, 2021:**

Total Revenues	\$ 5,603,465
Total Expenses	<u>6,059,202</u>
Net income/(loss) before capital contributions	\$ (455,737)
Capital contributions	<u>273,921</u>
Change in net position	\$ (181,816)
Net Position, beginning of year	<u>87,526,046</u>
Net position, end of year	<u><u>\$ 87,344,230</u></u>

Complete financial statements are available from the Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois 60090. At April 30, 2021, the City’s proportionate shares of equity and net loss were \$43,672,115 and \$(90,908), respectively. The City made no payments to the Airport for the year ended April 30, 2021, however, the City did receive revenue sharing payments from the Airport in the amount of \$33,640.

**E. OTHER POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN**

**Plan Overview.** In addition to the retirement plans described in Note IV (A), the City provides post-employment benefits other than pensions (“OPEB”) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The Plan does not issue a stand-alone financial report. The activity of the plan is reported in the City’s governmental and business-type activities.

**Benefits Provided.** The City provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the City’s retirement plans or meet COBRA requirements. All health care benefits are provided through the City’s insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general medical services and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the District’s active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the District is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the District. Employees are not required to contribute to the plan.

**Membership.** Membership in the Plan consisted of the following at May 1, 2019, the date of the latest actuarial valuation:

Active employees	37
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>3</u>
Total	<u><u>40</u></u>

**Total OPEB Liability.** The City’s total OPEB liability was measured as of April 30, 2021, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2019.

**Actuarial Assumptions.** The total OPEB liability in the May 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Method	Entry Age Normal
Discount Rate	2.27%
Inflation	2.25%
Salary Rate Increase	3.00%
Health Care Trend	
	Initial Trend Rate 6.60%
	Ultimate Trend Rate 5.00%
	FY the Ultimate is Reached 2029

Mortality *Active Employees IMRF* - follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates

*Active Employees Police* - follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates

*Retirees IMRF* - follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates

*Retirees Police* - follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates

Election at Retirement 30% of IMRF and Police employees are assumed to elect coverage at retirement

50% of employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females.

Marital Status Actual spouse data was used for current retirees.

The actuarial assumptions used in the May 1, 2019 valuation were based on the results of an actuarial experience study for the period dated May 1, 2020 through April 30, 2021. Assumption changes reflect a change in the discount rate of (0.29%) from 2.56% for the beginning of the year values and 2.27% for the disclosure date.

There is no long-term expected rate of return on OPEB plan investments because the City does not have a trust dedicated exclusively to the payment of OPEB benefits.

**Discount Rate.** The City does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.27% is used, which is the Bond Buyer 20-Bond GO Index as of April 29, 2021.

**Changes in the Total OPEB Liability**

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at May 31, 2020	\$ 1,829,611	\$ -	\$ 1,829,611
Changes for the year:			
Service Cost	\$ 45,432	\$ -	\$ 45,432
Interest on Total OPEB Liability	45,319	-	45,319
Benefit Payments	(118,645)	(118,645)	-
Assumption Changes	40,537	-	40,537
Contributions - Employer	-	118,645	(118,645)
Net Changes	\$ 12,643	\$ -	\$ 12,643
Balances at April 30, 2021	\$ 1,842,254	\$ -	\$ 1,842,254

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.** The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Valuation Rate	1% Increase
\$ 1,996,149	\$ 1,842,254	\$ 1,709,250

**Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates.** The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Healthcare Cost Valuation Rate	1% Increase
\$ 1,664,573	\$ 1,842,254	\$ 2,050,992

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the fiscal year ended April 30, 2021, the City recognized OPEB expense of \$131,288. At April 30, 2021, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

**Roll Forward Disclosure.** The actuarial valuations were performed as of May 1, 2019. Update procedures were used to roll forward the total OPEB liabilities to April 30, 2021.

**F. TAX ABATEMENT AGREEMENTS**

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is disclosing all abatement agreements individually.

The City has entered into a sales tax abatement agreement with Tony’s Finer Foods Enterprises as an incentive to operate a grocery store to spur retail activity in a shopping center within the community. The abatement is originally authorized through an Agreement passed by the City Council in Ordinance 12-37 on October 22, 2012 to the previous owner with a subsequent assignment and assumption of the Economic Incentive Agreement dated May 1, 2016. Per the agreement, incentive payments will be made for a period of 12 years beginning in 2016 with sharing percentages ranging from 70.54% in the first year to 13.04% in the final year. If the total payments exceed \$2.9 million, the percentage shall be 25% until October 2027. For the year ending April 30, 2021, total incentive payments were \$172,843.

The City has entered into a sales tax abatement agreement with Thorntons Inc as an incentive to operate a gas station and convenience store on a property which has been underutilized for a number of years. The abatement was authorized through an Agreement passed by the City Council on April 24, 2017. Per the agreement, incentive payments will be made for a period of 5 years and 6 months beginning on the store opening date with a sharing percentage of 50% of total tax receipts. If total payments reach \$329,000 before the end of the period of the agreement, the agreement terminates and no more payments are due. For the year ending April 30, 2021, total incentive payments were \$39,108.

All abatement agreements are entered into under the authority of the Mayor, City Clerk, and City Council.

G. *SUBSEQUENT EVENT FOOTNOTE*

Since March 2020, the COVID-19 outbreak in the United States has created disruptions in various governments and has continued to impact these organizations. The City was impacted during the year ended April 30, 2021. However, the extent of any additional impact on the City is uncertain and cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Local Taxes			
Property Tax	\$ 424,300	\$ 385,239	\$ (39,061)
Local Use	432,750	728,665	295,915
Utility	765,000	734,867	(30,133)
Local Sales Tax	236,250	338,921	102,671
Places for Eating	232,500	215,459	(17,041)
Other	357,625	467,758	110,133
Total Local Taxes	<u>\$ 2,448,425</u>	<u>\$ 2,870,909</u>	<u>\$ 422,484</u>
Intergovernmental			
Income Tax	\$ 1,280,250	\$ 1,973,191	\$ 692,941
Grants	28,800	387,182	358,382
State Sales Tax	870,000	1,275,604	405,604
Personal Property Replacement Tax	6,000	7,507	1,507
Other	22,500	132,506	110,006
Total Intergovernmental	<u>\$ 2,207,550</u>	<u>\$ 3,775,990</u>	<u>\$ 1,568,440</u>
Licenses and Permits			
Vehicle Stickers	\$ 776,500	\$ 921,280	\$ 144,780
Licenses	192,500	209,973	17,473
Total Licenses and Permits	<u>\$ 969,000</u>	<u>\$ 1,131,253</u>	<u>\$ 162,253</u>
Fines, Forfeitures and Penalties			
Public Safety Fines and Fees	\$ 552,000	\$ 246,353	\$ (305,647)
Total Fines, Forfeitures and Penalties	<u>\$ 552,000</u>	<u>\$ 246,353</u>	<u>\$ (305,647)</u>
Charges for Services			
Franchise Fees	\$ 348,000	\$ 331,979	\$ (16,021)
Building Revenue and Fees	407,075	579,206	172,131
Public Safety Charges for Services	61,000	33,789	(27,211)
General Government Administration	160,000	160,000	-
Total Charges for Services	<u>\$ 976,075</u>	<u>\$ 1,104,974</u>	<u>\$ 128,899</u>
Investment Income			
Investment Income	\$ 180,000	\$ 577,214	\$ 397,214
Total Investment Income	<u>\$ 180,000</u>	<u>\$ 577,214</u>	<u>\$ 397,214</u>
Miscellaneous			
Reimbursable Income	\$ 185,600	\$ 157,715	\$ (27,885)
Miscellaneous	38,000	23,383	(14,617)
Total Miscellaneous	<u>\$ 223,600</u>	<u>\$ 181,098</u>	<u>\$ (42,502)</u>
<b>Total Revenues</b>	<u><b>\$ 7,556,650</b></u>	<u><b>\$ 9,887,791</b></u>	<u><b>\$ 2,331,141</b></u>
<b>EXPENDITURES</b>			
General Government			
City Council and Boards			
Salaries	\$ 30,400	\$ 30,435	\$ 35
Pension Benefits	2,500	2,047	(453)
Professional Services	1,000	76	(924)
Professional Development	17,300	13,473	(3,827)
Other Expenditures	53,150	24,658	(28,492)
Total City Council and Boards	<u>\$ 104,350</u>	<u>\$ 70,689</u>	<u>\$ (33,661)</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
EXPENDITURES (Continued)			
General Government (Continued)			
Administration			
Salaries	\$ 406,000	\$ 375,871	\$ (30,129)
Insurance Benefits	40,360	22,044	(18,316)
Pension Benefits	84,900	68,801	(16,099)
Professional Services	135,500	142,233	6,733
Communications	50,200	48,246	(1,954)
Professional Development	6,000	1,986	(4,014)
Service Charges and Fees	76,000	69,228	(6,772)
Other Contractual Services	10,500	9,659	(841)
General Supplies	9,300	9,504	204
Printed Materials	-	267.00	267
Other Expenditures	350	158	(192)
Total Administration	<u>\$ 819,110</u>	<u>\$ 747,997</u>	<u>\$ (71,113)</u>
Finance Department			
Professional Services	\$ 175,400	\$ 176,413	\$ 1,013
Professional Development	1,000	190	(810)
Other Contractual Services	7,500	9,856	2,356
Total Finance Department	<u>\$ 183,900</u>	<u>\$ 186,459</u>	<u>\$ 2,559</u>
Legal Department			
Professional Services	\$ 327,000	\$ 305,351	\$ (21,649)
Total Legal Department	<u>\$ 327,000</u>	<u>\$ 305,351</u>	<u>\$ (21,649)</u>
Building Department			
Salaries	\$ 329,000	\$ 330,383	\$ 1,383
Insurance Benefits	58,400	62,395	3,995
Pension Benefits	72,800	70,194	(2,606)
Professional Services	69,300	63,410	(5,890)
Communications	3,500	3,905	405
Professional Development	2,920	970	(1,950)
Other Contractual Services	4,950	4,339	(611)
General Supplies	5,500	2,282	(3,218)
Printed Materials	1,000	-	(1,000)
Total Building Department	<u>\$ 547,370</u>	<u>\$ 537,878</u>	<u>\$ (9,492)</u>
Reimbursable Expenditures			
Insurance Benefits	\$ 45,000	\$ 51,133	\$ 6,133
Professional Services	18,000	21,000	3,000
General Supplies	7,500	6,123	(1,377)
Total Reimbursable Expenditures	<u>\$ 70,500</u>	<u>\$ 78,256</u>	<u>\$ 7,756</u>
Grant Expense	\$ -	\$ 370	\$ 370
Total General Government	<u>\$ 2,052,230</u>	<u>\$ 1,927,000</u>	<u>\$ (125,230)</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
EXPENDITURES (Continued)			
Public Safety			
Salaries	\$ 2,917,000	\$ 2,669,577	\$ (247,423)
Insurance Benefits	455,500	484,922	29,422
Pension Benefits	1,153,208	1,102,455	(50,753)
Professional Services	108,500	108,233	(267)
Communications	275,600	210,865	(64,735)
Professional Development	88,600	70,842	(17,758)
Service Charges and Fees	7,000	3,502	(3,498)
Other Contractual Services	163,600	166,805	3,205
Maintenance Supplies	13,000	19,116	6,116
General Supplies	101,000	72,502	(28,498)
Printed Materials	1,060	401	(659)
Other Expenditures	26,000	14,684	(11,316)
Total Public Safety	<u>\$ 5,310,068</u>	<u>\$ 4,923,904</u>	<u>\$ (386,164)</u>
Public Works			
Salaries	\$ 380,000	\$ 396,655	\$ 16,655
Insurance Benefits	122,500	123,258	758
Pension Benefits	89,900	90,823	923
Maintenance Service	72,000	64,251	(7,749)
Professional Services	110,000	63,073	(46,927)
Professional Development	9,500	1,854	(7,646)
Service Charges and Fees	20,000	20,060	60
Other Contractual Services	52,700	56,746	4,046
Maintenance Supplies	99,000	86,699	(12,301)
General Supplies	66,000	51,122	(14,878)
Other Expenditures	162,500	211,679	49,179
Total Public Works	<u>\$ 1,184,100</u>	<u>\$ 1,166,220</u>	<u>\$ (17,880)</u>
Capital Outlay			
General Government	\$ 30,945	\$ 22,910	\$ (8,035)
Public Works	57,500	27,549	(29,951)
Public Safety	26,900	19,285	(7,615)
Total Capital Outlay	<u>\$ 115,345</u>	<u>\$ 69,744</u>	<u>\$ (45,601)</u>
Debt Service			
Principal	\$ 160,000	\$ 160,000	\$ -
Interest	29,207	28,973	(234)
Total Debt Service	<u>\$ 189,207</u>	<u>\$ 188,973</u>	<u>\$ (234)</u>
Total Expenditures	<u>\$ 8,850,950</u>	<u>\$ 8,275,841</u>	<u>\$ (575,109)</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,294,300)	\$ 1,611,950	\$ 2,906,250
OTHER FINANCING SOURCES/(USES) Transfers	<u>113,700</u>	<u>113,700</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,180,600)</u>	\$ 1,725,650	<u>\$ 2,906,250</u>
FUND BALANCE - MAY 1, 2020		<u>11,646,991</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ 13,372,641</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2021

	4/30/2021*	4/30/2020*	4/30/2019*	4/30/2018*	4/30/2017*	4/30/2016*
TOTAL PENSION LIABILITY						
Service Cost	\$ 144,037	\$ 139,897	\$ 133,920	\$ 162,911	\$ 149,243	\$ 141,921
Interest on Total Pension Liability	876,606	852,107	814,238	817,631	745,396	695,680
Differences Between Expected and Actual Experience	279,465	(6,207)	257,771	(118,190)	571,045	299,316
Changes of Assumptions	(94,783)	-	291,440	(339,343)	(23,563)	11,372
Benefit Payments, Including Refunds of Member Contributions	(673,062)	(626,856)	(580,469)	(527,039)	(497,736)	(452,023)
Net Change in Total Pension Liability	<u>\$ 532,263</u>	<u>\$ 358,941</u>	<u>\$ 916,900</u>	<u>\$ (4,030)</u>	<u>\$ 944,385</u>	<u>\$ 696,266</u>
Total Pension Liability - Beginning	<u>12,355,625</u>	<u>11,996,684</u>	<u>11,079,784</u>	<u>11,083,814</u>	<u>10,139,429</u>	<u>9,443,163</u>
Total Pension Liability - Ending	<u>\$ 12,887,888</u>	<u>\$ 12,355,625</u>	<u>\$ 11,996,684</u>	<u>\$ 11,079,784</u>	<u>\$ 11,083,814</u>	<u>\$ 10,139,429</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 212,104	\$ 148,508	\$ 162,456	\$ 175,762	\$ 189,190	\$ 171,547
Contributions - Member	67,549	62,228	59,147	62,872	98,116	65,806
Net Investment Income	1,649,878	1,879,774	(572,869)	1,680,456	620,021	43,117
Benefit Payments, Including Refunds of Member Contributions	(673,062)	(626,856)	(580,469)	(527,039)	(497,736)	(452,023)
Other (Net Transfer)	119,235	(105,781)	245,757	(391,162)	612,930	253,636
Net Change in Plan Fiduciary Net Position	<u>\$ 1,375,704</u>	<u>\$ 1,357,873</u>	<u>\$ (685,978)</u>	<u>\$ 1,000,889</u>	<u>\$ 1,022,521</u>	<u>\$ 82,083</u>
Plan Net Position - Beginning	<u>11,508,070</u>	<u>10,150,197</u>	<u>10,836,175</u>	<u>9,835,286</u>	<u>8,812,765</u>	<u>8,730,682</u>
Plan Net Position - Ending	<u>\$ 12,883,774</u>	<u>\$ 11,508,070</u>	<u>\$ 10,150,197</u>	<u>\$ 10,836,175</u>	<u>\$ 9,835,286</u>	<u>\$ 8,812,765</u>
City's Net Pension Liability	<u>\$ 4,114</u>	<u>\$ 847,555</u>	<u>\$ 1,846,487</u>	<u>\$ 243,609</u>	<u>\$ 1,248,528</u>	<u>\$ 1,326,664</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.97%	93.14%	84.61%	97.80%	88.74%	86.92%
Covered-Valuation Payroll	\$ 1,443,363	\$ 1,371,149	\$ 1,314,372	\$ 1,397,151	\$ 1,451,961	\$ 1,375,680
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	0.29%	61.81%	140.48%	17.44%	85.99%	96.44%

\* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTION  
LAST TEN FISCAL YEARS

	<u>4/30/2021*</u>	<u>4/30/2020*</u>	<u>4/30/2019*</u>	<u>4/30/2018*</u>	<u>4/30/2017*</u>	<u>4/30/2016*</u>
Actuarially-Determined Contribution	\$ 212,104	\$ 147,536	\$ 162,456	\$ 175,762	\$ 189,191	\$ 171,547
Contributions in relation to Actuarially-Determined Contribution	<u>212,104</u>	<u>148,508</u>	<u>162,456</u>	<u>175,762</u>	<u>189,190</u>	<u>171,547</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ (972)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
Covered-Valuation Payroll	\$ 1,466,893	\$ 1,399,050	\$ 1,312,850	\$ 1,342,020	\$ 1,548,073	\$ 1,475,434
Contributions as a percentage of Covered-Valuation Payroll	14.46%	10.61%	12.37%	13.10%	12.22%	11.63%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2020 Contribution Rate \***

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Actuarial Cost Method:** Aggregate entry age normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 23-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 3.25%

**Price Inflation:** 2.50%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 3.35% to 14.25%, including inflation

**Investment Rate of Return:** 7.25%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

**Mortality:** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

\*Based on Valuation Assumptions used in the December 31, 2018 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2021

	4/30/2021	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
<b>TOTAL PENSION LIABILITY</b>							
Service Cost	\$ 501,584	\$ 398,261	\$ 456,041	\$ 427,205	\$ 428,118	\$ 450,562	\$ 421,779
Interest	1,888,539	1,746,066	1,662,493	1,528,417	1,532,118	1,380,834	1,254,008
Changes in Benefit Terms	-	339,342	-	-	-	-	-
Differences Between Expected and Actual Experience	(361,557)	571,408	97,370	1,166,470	(6,929)	(429,471)	(477,794)
Changes in Assumptions	1,069,814	515,587	-	(340,571)	(621,154)	1,156,506	1,145,952
Benefit Payments, Including Refunds of Member Contributions	(1,166,688)	(1,045,781)	(909,776)	(680,633)	(472,067)	(322,396)	(741,886)
Net Change in Total Pension Liability	<u>\$ 1,931,692</u>	<u>\$ 2,524,883</u>	<u>\$ 1,306,128</u>	<u>\$ 2,100,888</u>	<u>\$ 860,086</u>	<u>\$ 2,236,035</u>	<u>\$ 1,602,059</u>
Total Pension Liability - Beginning	<u>28,915,424</u>	<u>26,390,541</u>	<u>25,084,413</u>	<u>22,983,525</u>	<u>22,123,439</u>	<u>19,887,404</u>	<u>18,285,345</u>
Total Pension Liability - Ending	<u>\$ 30,847,116</u>	<u>\$ 28,915,424</u>	<u>\$ 26,390,541</u>	<u>\$ 25,084,413</u>	<u>\$ 22,983,525</u>	<u>\$ 22,123,439</u>	<u>\$ 19,887,404</u>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - Employer	\$ 997,013	\$ 985,385	\$ 794,856	\$ 1,125,669	\$ 877,282	\$ 715,486	\$ 671,436
Contributions - Member	215,081	210,549	241,784	209,576	246,043	194,882	178,778
Net Investment Income	4,925,707	(97,225)	1,125,377	981,790	1,056,552	(122,786)	724,207
Benefit Payments, Including Refunds of Member Contributions	(1,166,688)	(1,045,781)	(909,776)	(680,633)	(472,067)	(322,396)	(742,462)
Administrative Expenses	(39,645)	(32,954)	(30,367)	(30,956)	(28,861)	(32,766)	(22,575)
Net Change in Plan Fiduciary Net Position	<u>\$ 4,931,468</u>	<u>\$ 19,974</u>	<u>\$ 1,221,874</u>	<u>\$ 1,605,446</u>	<u>\$ 1,678,949</u>	<u>\$ 432,420</u>	<u>\$ 809,384</u>
Plan Net Position - Beginning	<u>17,286,375</u>	<u>17,266,401</u>	<u>16,044,527</u>	<u>14,439,081</u>	<u>12,760,133</u>	<u>12,327,713</u>	<u>11,518,329</u>
Plan Net Position - Ending	<u>\$ 22,217,843</u>	<u>\$ 17,286,375</u>	<u>\$ 17,266,401</u>	<u>\$ 16,044,527</u>	<u>\$ 14,439,082</u>	<u>\$ 12,760,133</u>	<u>\$ 12,327,713</u>
City's Net Pension Liability	<u>\$ 8,629,273</u>	<u>\$ 11,629,049</u>	<u>\$ 9,124,140</u>	<u>\$ 9,039,886</u>	<u>\$ 8,544,443</u>	<u>\$ 9,363,306</u>	<u>\$ 7,559,691</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.03%	59.78%	65.43%	63.96%	62.82%	57.68%	61.99%
Covered Payroll	\$ 2,066,955	\$ 2,148,316	\$ 2,043,565	\$ 2,126,776	\$ 2,059,831	\$ 1,892,749	\$ 1,910,410
Employer's Net Pension Liability as a Percentage of Covered Payroll	417.49%	541.31%	446.48%	425.05%	414.81%	494.69%	395.71%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expenses	31.92%	-0.16%	6.90%	6.40%	8.31%	-1.01%	6.62%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTION  
LAST TEN FISCAL YEARS

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>
Actuarially-Determined Contribution	\$ 1,055,208	\$ 1,002,709	\$ 920,119	\$ 820,079	\$ 728,579	\$ 630,932	\$ 630,932
Contributions in relation to Actuarially-Determined Contribution	<u>997,013</u>	<u>985,385</u>	<u>794,856</u>	<u>1,125,669</u>	<u>877,282</u>	<u>715,486</u>	<u>671,436</u>
Contribution deficiency/(excess)	<u>\$ 58,195</u>	<u>\$ 17,324</u>	<u>\$ 125,263</u>	<u>\$ (305,590)</u>	<u>\$ (148,703)</u>	<u>\$ (84,554)</u>	<u>\$ (40,504)</u>
Covered Payroll	\$ 2,066,955	\$ 2,148,316	\$ 2,040,399	\$ 2,126,776	\$ 2,059,831	\$ 1,892,749	\$ 1,910,410
Contributions as a percentage of Covered Payroll	48.24%	45.87%	38.96%	52.93%	42.59%	37.80%	35.15%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
OTHER POST-EMPLOYMENT BENEFIT  
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2021

	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>
TOTAL OPEB LIABILITY				
Service Cost	\$ 45,432	\$ 36,982	\$ 48,981	\$ 47,111
Interest	45,319	61,173	73,300	72,931
Differences Between Expected and Actual Experience	-	(268,110)	-	-
Changes of Assumptions	40,537	167,533	21,909	-
Benefit Payments	(118,645)	(100,257)	(116,622)	(104,725)
Net Change in Total OPEB Liability	<u>\$ 12,643</u>	<u>\$ (102,679)</u>	<u>\$ 27,568</u>	<u>\$ 15,317</u>
Total OPEB Liability - Beginning	<u>1,829,611</u>	<u>1,932,290</u>	<u>1,904,722</u>	<u>1,889,405</u>
Total OPEB Liability - Ending	<u>\$ 1,842,254</u>	<u>\$ 1,829,611</u>	<u>\$ 1,932,290</u>	<u>\$ 1,904,722</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 3,502,976	\$ 3,547,276	\$ 3,233,572	\$ 2,680,815
Employer's Net OPEB Liability as a Percentage of Covered Payroll	52.59%	51.58%	59.76%	71.05%

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

There is no actuarially-determined contribution (ADC) or employer contribution in relation to the ADC as the total OPEB liabilities are currently an unfunded obligation.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

The following are the discount rates used in each period:                      2.27%                      2.56%                      3.79%                      3.97%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

CITY OF PROSPECT HEIGHTS, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
APRIL 30, 2021

**NOTE I - BUDGET**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds. All annual budgets 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 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 budget was approved on April 27, 2020.

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. The budget was not amended during the year ended April 30, 2021.

**NOTE II - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended April 30, 2021, none of the City's funds presented as Required Supplementary Information had expenditures that exceeded the budget.

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 APRIL 30, 2021

	Motor Fuel Tax Fund	Tourism Fund	DEA Seizure Fund	SWANCC Fund	Special Service Area #1 Fund	Special Service Area #2 Fund	Special Service Area #3 Fund
<b>ASSETS</b>							
Cash and Investments	\$ 2,796,492	\$ 56,379	\$ 431,151	\$ 352,915	\$ 11,365	\$ 51,854	\$ 338,887
Receivables (Net of Allowance for Estimated Uncollectible Amounts)							
Property Taxes	-	-	-	-	-	-	-
Intergovernmental	53,552	-	-	-	-	-	-
Accounts Receivable	-	61,529	4,340	78,410	-	-	-
Prepaid Items	-	-	11,100	28,705	-	-	-
Due from Other Funds	685,667	9,701	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,535,711</b>	<b>\$ 127,609</b>	<b>\$ 446,591</b>	<b>\$ 460,030</b>	<b>\$ 11,365</b>	<b>\$ 51,854</b>	<b>\$ 338,887</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ -	\$ 990	\$ 4,150	\$ -	\$ 13,345	\$ 22,217	\$ 12,283
Accrued Payroll	-	-	655	-	-	-	-
Due to Other Funds	-	200,000	2,324	255,003	106,081	-	-
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ 200,990</b>	<b>\$ 7,129</b>	<b>\$ 255,003</b>	<b>\$ 119,426</b>	<b>\$ 22,217</b>	<b>\$ 12,283</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES</b>							
Nonspendable	\$ -	\$ -	\$ 11,100	\$ 28,705	\$ -	\$ -	\$ -
Restricted for:							
Streets and Highways	3,535,711	-	-	-	-	-	-
Public Safety	-	-	428,362	-	-	-	-
Special Service Area Improvements	-	-	-	-	-	29,637	326,604
Palatine Road Tax Increment Financing	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Committed for:							
Solid Waste Disposal	-	-	-	176,322	-	-	-
Unassigned	-	(73,381)	-	-	(108,061)	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,535,711</b>	<b>\$ (73,381)</b>	<b>\$ 439,462</b>	<b>\$ 205,027</b>	<b>\$ (108,061)</b>	<b>\$ 29,637</b>	<b>\$ 326,604</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,535,711</b>	<b>\$ 127,609</b>	<b>\$ 446,591</b>	<b>\$ 460,030</b>	<b>\$ 11,365</b>	<b>\$ 51,854</b>	<b>\$ 338,887</b>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 APRIL 30, 2021

	Special Service Area #4 Fund	Special Service Area #5 Fund	Special Service Area #6 Debt Fund	Special Service Area #8 Fund	Palatine Road TIF Fund	Milwaukee / Palatine Road TIF Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and Investments	\$ 44,549	\$ 141,017	\$ 189,080	\$ 556,905	\$ 724,363	\$ -	\$ 5,694,957
Receivables (Net of Allowance for Estimated Uncollectible Amounts)							
Property Taxes	-	13,558	117,982	65,682	33,503	-	230,725
Intergovernmental	-	-	-	-	-	-	53,552
Accounts Receivable	-	-	-	-	-	-	144,279
Prepaid Items	-	539	-	539	-	-	40,883
Due from Other Funds	-	-	-	420	-	-	695,788
<b>TOTAL ASSETS</b>	<b>\$ 44,549</b>	<b>\$ 155,114</b>	<b>\$ 307,062</b>	<b>\$ 623,546</b>	<b>\$ 757,866</b>	<b>\$ -</b>	<b>\$ 6,860,184</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 15,040	\$ 382	\$ -	\$ 2,562	\$ 817	\$ -	\$ 71,786
Accrued Payroll	-	-	-	-	-	-	655
Due to Other Funds	-	26	-	-	2,592	-	566,026
<b>TOTAL LIABILITIES</b>	<b>\$ 15,040</b>	<b>\$ 408</b>	<b>\$ -</b>	<b>\$ 2,562</b>	<b>\$ 3,409</b>	<b>\$ -</b>	<b>\$ 638,467</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	\$ -	\$ 13,137	\$ 107,180	\$ 48,967	\$ 33,503	\$ -	\$ 202,787
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ -</b>	<b>\$ 13,137</b>	<b>\$ 107,180</b>	<b>\$ 48,967</b>	<b>\$ 33,503</b>	<b>\$ -</b>	<b>\$ 202,787</b>
<b>FUND BALANCES</b>							
Nonspendable	\$ -	\$ 539	\$ -	\$ 539	\$ -	\$ -	\$ 40,883
Restricted for:							
Streets and Highways	-	-	-	-	-	-	3,535,711
Public Safety	-	-	-	-	-	-	428,362
Special Service Area Improvements	29,509	141,030	-	571,478	-	-	1,098,258
Palatine Road Tax Increment Financing	-	-	-	-	720,954	-	720,954
Debt Service	-	-	199,882	-	-	-	199,882
Committed for:							
Solid Waste Disposal	-	-	-	-	-	-	176,322
Unassigned	-	-	-	-	-	-	(181,442)
<b>TOTAL FUND BALANCES</b>	<b>\$ 29,509</b>	<b>\$ 141,569</b>	<b>\$ 199,882</b>	<b>\$ 572,017</b>	<b>\$ 720,954</b>	<b>\$ -</b>	<b>\$ 6,018,930</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 44,549</b>	<b>\$ 155,114</b>	<b>\$ 307,062</b>	<b>\$ 623,546</b>	<b>\$ 757,866</b>	<b>\$ -</b>	<b>\$ 6,860,184</b>

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2021

	Motor Fuel Tax Fund	Tourism Fund	DEA Seizure Fund	SWANCC Fund	Special Service Area #1 Fund	Special Service Area #2 Fund	Special Service Area #3 Fund
REVENUES							
Local Taxes	\$ -	\$ 171,901	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,079,524	-	-	-	-	-	-
Charges for Services	-	-	-	470,159	-	-	-
Investment Income	4,733	6	131	12	3	10	67
Total Revenues	<u>\$ 1,084,257</u>	<u>\$ 171,907</u>	<u>\$ 131</u>	<u>\$ 470,171</u>	<u>\$ 3</u>	<u>\$ 10</u>	<u>\$ 67</u>
EXPENDITURES							
Current							
General Government	\$ -	\$ 116,106	\$ -	\$ 429,036	\$ -	\$ -	\$ -
Public Safety	-	-	38,169	-	-	-	-
Public Works	-	-	-	-	-	-	-
Capital Outlay	-	-	56,183	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ 116,106</u>	<u>\$ 94,352</u>	<u>\$ 429,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,084,257	\$ 55,801	\$ (94,221)	\$ 41,135	\$ 3	\$ 10	\$ 67
OTHER FINANCING SOURCES/(USES)							
Transfers	-	(168,700)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	\$ 1,084,257	\$ (112,899)	\$ (94,221)	\$ 41,135	\$ 3	\$ 10	\$ 67
FUND BALANCES - MAY 1, 2020	2,451,454	39,518	533,683	163,892	(108,064)	29,627	326,537
FUND BALANCES - APRIL 30, 2021	<u>\$ 3,535,711</u>	<u>\$ (73,381)</u>	<u>\$ 439,462</u>	<u>\$ 205,027</u>	<u>\$ (108,061)</u>	<u>\$ 29,637</u>	<u>\$ 326,604</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED APRIL 30, 2021

	Special Service Area #4 Fund	Special Service Area #5 Fund	Special Service Area #6 Debt Fund	Special Service Area #8 Fund	Palatine Road TIF Fund	Milwaukee / Palatine Road TIF Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Local Taxes	\$ -	\$ 26,972	\$ 221,119	\$ 156,626	\$ 108,735	\$ 609,406	\$ 1,294,759
Intergovernmental	-	-	-	-	-	-	1,079,524
Charges for Services	-	-	-	-	-	-	470,159
Investment Income	9	27	33	102	200	1,195	6,528
<b>Total Revenues</b>	<b>\$ 9</b>	<b>\$ 26,999</b>	<b>\$ 221,152</b>	<b>\$ 156,728</b>	<b>\$ 108,935</b>	<b>\$ 610,601</b>	<b>\$ 2,850,970</b>
<b>EXPENDITURES</b>							
<b>Current</b>							
General Government	\$ -	\$ -	\$ 550	\$ -	\$ 12,974	\$ 10,668	\$ 569,334
Public Safety	-	-	-	-	-	-	38,169
Public Works	-	21,437	-	11,561	-	-	32,998
Capital Outlay	-	-	-	-	-	58,051	114,234
<b>Debt Service</b>							
Principal	-	-	160,000	-	-	-	160,000
Interest	-	-	52,490	-	-	488,319	540,809
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 21,437</b>	<b>\$ 213,040</b>	<b>\$ 11,561</b>	<b>\$ 12,974</b>	<b>\$ 557,038</b>	<b>\$ 1,455,544</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 9</b>	<b>\$ 5,562</b>	<b>\$ 8,112</b>	<b>\$ 145,167</b>	<b>\$ 95,961</b>	<b>\$ 53,563</b>	<b>\$ 1,395,426</b>
<b>OTHER FINANCING SOURCES/(USES)</b>							
Transfers	-	-	-	-	-	(1,825,983)	(1,994,683)
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 9</b>	<b>\$ 5,562</b>	<b>\$ 8,112</b>	<b>\$ 145,167</b>	<b>\$ 95,961</b>	<b>\$ (1,772,420)</b>	<b>\$ (599,257)</b>
<b>FUND BALANCES - MAY 1, 2020</b>	<b>29,500</b>	<b>136,007</b>	<b>191,770</b>	<b>426,850</b>	<b>624,993</b>	<b>1,772,420</b>	<b>6,618,187</b>
<b>FUND BALANCES - APRIL 30, 2021</b>	<b>\$ 29,509</b>	<b>\$ 141,569</b>	<b>\$ 199,882</b>	<b>\$ 572,017</b>	<b>\$ 720,954</b>	<b>\$ -</b>	<b>\$ 6,018,930</b>

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
MAJOR CAPITAL PROJECTS FUND - DEVELOPMENT  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Total Expenditures	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)			
Transfers	-	1,825,983	1,825,983
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,825,983	\$ 1,825,983
FUND BALANCE - MAY 1, 2020		(1,825,983)	
FUND BALANCE - APRIL 30, 2021		\$ -	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 MAJOR CAPITAL PROJECTS FUND - CAPITAL PROJECTS  
 FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Total Revenues	\$ -	\$ -	\$ -
EXPENDITURES			
Capital Outlay	\$ 697,000	\$ 315,455	\$ (381,545)
Total Expenditures	\$ 697,000	\$ 315,455	\$ (381,545)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (697,000)	\$ (315,455)	\$ 381,545
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (697,000)	\$ (315,455)	\$ 381,545
FUND BALANCE - MAY 1, 2020		6,038,196	
FUND BALANCE - APRIL 30, 2021		\$ 5,722,741	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUND - MOTOR FUEL TAX  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Motor Fuel Tax	\$ 678,700	\$ 1,079,524	\$ 400,824
Investment Income	28,000	4,733	(23,267)
Total Revenues	<u>\$ 706,700</u>	<u>\$ 1,084,257</u>	<u>\$ 377,557</u>
EXPENDITURES			
Capital Outlay	\$ 268,000	\$ -	\$ (268,000)
Total Expenditures	<u>\$ 268,000</u>	<u>\$ -</u>	<u>\$ (268,000)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 438,700	\$ 1,084,257	\$ 645,557
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 438,700</u>	\$ 1,084,257	<u>\$ 645,557</u>
FUND BALANCE - MAY 1, 2020		<u>2,451,454</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ 3,535,711</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUND - TOURISM DISTRICT  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel	\$ 525,000	\$ 171,901	\$ (353,099)
Investment Income	1,500	6	(1,494)
Total Revenues	<u>\$ 526,500</u>	<u>\$ 171,907</u>	<u>\$ (354,593)</u>
EXPENDITURES			
General Government			
Administration			
Professional Services	\$ 66,850	\$ 27,462	\$ (39,388)
Professional Development	60,000	28,644	(31,356)
Service Charges and Fees	60,000	60,000	-
Other Expenditures	168,700	-	(168,700)
Total Expenditures	<u>\$ 355,550</u>	<u>\$ 116,106</u>	<u>\$ (239,444)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 170,950	\$ 55,801	\$ (115,149)
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(168,700)</u>	<u>(168,700)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,250</u>	\$ (112,899)	<u>\$ (115,149)</u>
FUND BALANCE - MAY 1, 2020		<u>39,518</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ (73,381)</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUND - DEA SEIZURE  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 131	\$ 131
Total Revenues	\$ -	\$ 131	\$ 131
EXPENDITURES			
Public Safety			
Salaries	\$ 18,000	\$ 15,835	\$ (2,165)
Professional Services	5,000	-	(5,000)
Professional Development	10,000	2,670	(7,330)
Maintenance Supplies	30,000	18,665	(11,335)
General Supplies	12,500	999	(11,501)
Total Public Safety	\$ 75,500	\$ 38,169	\$ (37,331)
Capital Outlay			
Capital Outlay	\$ 60,000	\$ 56,183	\$ (3,817)
Total Expenditures	\$ 135,500	\$ 94,352	\$ (41,148)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (135,500)	\$ (94,221)	\$ 41,279
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (135,500)	\$ (94,221)	\$ 41,279
FUND BALANCE - MAY 1, 2020		533,683	
FUND BALANCE - APRIL 30, 2021		\$ 439,462	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUND - SWANCC  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ 463,200	\$ 470,159	\$ 6,959
Investment Income	2,000	12	(1,988)
Total Revenues	\$ 465,200	\$ 470,171	\$ 4,971
EXPENDITURES			
General Government			
Administration			
Service Charges and Fees	\$ 490,000	\$ 429,036	\$ (60,964)
Total General Government	\$ 490,000	\$ 429,036	\$ (60,964)
Total Expenditures	\$ 490,000	\$ 429,036	\$ (60,964)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (24,800)	\$ 41,135	\$ 65,935
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (24,800)	\$ 41,135	\$ 65,935
FUND BALANCE - MAY 1, 2020		163,892	
FUND BALANCE - APRIL 30, 2021		\$ 205,027	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #1  
 FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 3	\$ 3
Total Revenues	\$ -	\$ 3	\$ 3
EXPENDITURES			
Total Expenditures	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 3	\$ 3
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 3	\$ 3
FUND BALANCE - MAY 1, 2020		(108,064)	
FUND BALANCE - APRIL 30, 2021		\$ (108,061)	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #2  
 FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 10	\$ 10
Total Revenues	\$ -	\$ 10	\$ 10
EXPENDITURES			
Public Works			
Professional Services	\$ 29,000	\$ -	\$ (29,000)
Total Public Works	\$ 29,000	\$ -	\$ (29,000)
Total Expenditures	\$ 29,000	\$ -	\$ (29,000)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (29,000)	\$ 10	\$ 29,010
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (29,000)	\$ 10	\$ 29,010
FUND BALANCE - MAY 1, 2020		29,627	
FUND BALANCE - APRIL 30, 2021		\$ 29,637	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #3  
 FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Income	\$ -	\$ 67	\$ 67
Total Revenues	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 67</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 320,000	\$ -	\$ (320,000)
Total Public Works	<u>\$ 320,000</u>	<u>\$ -</u>	<u>\$ (320,000)</u>
Total Expenditures	<u>\$ 320,000</u>	<u>\$ -</u>	<u>\$ (320,000)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (320,000)	\$ 67	\$ 320,067
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (320,000)</u>	\$ 67	<u>\$ 320,067</u>
FUND BALANCE - MAY 1, 2020		<u>326,537</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ 326,604</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #4  
 FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Income	\$ -	\$ 9	\$ 9
Total Revenues	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 29,000	\$ -	\$ (29,000)
Total Public Works	<u>\$ 29,000</u>	<u>\$ -</u>	<u>\$ (29,000)</u>
Total Expenditures	<u>\$ 29,000</u>	<u>\$ -</u>	<u>\$ (29,000)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (29,000)	\$ 9	\$ 29,009
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (29,000)</u>	\$ 9	<u>\$ 29,009</u>
FUND BALANCE - MAY 1, 2020		<u>29,500</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ 29,509</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #5  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Property Taxes	\$ 25,000	\$ 26,972	\$ 1,972
Investment Income	500	27	(473)
Total Revenues	<u>\$ 25,500</u>	<u>\$ 26,999</u>	<u>\$ 1,499</u>
<b>EXPENDITURES</b>			
Public Works			
Maintenance Services	\$ 6,000	\$ 12,136	\$ 6,136
Professional Services	10,000	8,426	(1,574)
Other Contractual Services	1,000	875	(125)
Total Public Works	<u>\$ 17,000</u>	<u>\$ 21,437</u>	<u>\$ 4,437</u>
Total Expenditures	<u>\$ 17,000</u>	<u>\$ 21,437</u>	<u>\$ 4,437</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 8,500	\$ 5,562	\$ (2,938)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 8,500</u>	\$ 5,562	<u>\$ (2,938)</u>
FUND BALANCE - MAY 1, 2020		<u>136,007</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ 141,569</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
NONMAJOR DEBT SERVICE FUND - SPECIAL SERVICE AREA #6 DEBT  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 212,000	\$ 221,119	\$ 9,119
Investment Income	500	33	(467)
Total Revenues	<u>\$ 212,500</u>	<u>\$ 221,152</u>	<u>\$ 8,652</u>
EXPENDITURES			
General Government			
Service Charges and Fees	\$ -	\$ 550	\$ 550
Total General Government	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ 550</u>
Debt Service			
Principal	\$ 160,000	\$ 160,000	\$ -
Interest	52,490	52,490	-
Total Debt Service	<u>\$ 212,490</u>	<u>\$ 212,490</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 212,490</u>	<u>\$ 213,040</u>	<u>\$ 550</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 10	\$ 8,112	\$ 8,102
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10</u>	\$ 8,112	<u>\$ 8,102</u>
FUND BALANCE - MAY 1, 2020		<u>191,770</u>	
FUND BALANCE - APRIL 30, 2021		<u>\$ 199,882</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 NONMAJOR SPECIAL REVENUE FUND - PALATINE ROAD TIF  
 FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 100,000	\$ 108,735	\$ 8,735
Investment Income	200	200	-
Total Revenues	\$ 100,200	\$ 108,935	\$ 8,735
EXPENDITURES			
General Government			
Professional Services	\$ 14,175	\$ 12,974	\$ (1,201)
Total General Government	\$ 14,175	\$ 12,974	\$ (1,201)
Total Expenditures	\$ 14,175	\$ 12,974	\$ (1,201)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 86,025	\$ 95,961	\$ 9,936
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 86,025	\$ 95,961	\$ 9,936
FUND BALANCE - MAY 1, 2020		624,993	
FUND BALANCE - APRIL 30, 2021		\$ 720,954	

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CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL  
MAJOR ENTERPRISE FUND - SEWER  
FOR THE YEAR ENDED APRIL 30, 2021

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 807,500	\$ 820,122	\$ 12,622
Total Operating Revenues	<u>\$ 807,500</u>	<u>\$ 820,122</u>	<u>\$ 12,622</u>
<b>OPERATING EXPENSES</b>			
Operations and Maintenance			
Salaries	\$ 62,000	\$ 59,299	\$ (2,701)
Insurance Benefits	10,150	10,150	-
Pension Benefits	14,100	19,857	5,757
Maintenance Services	50,000	14,580	(35,420)
Professional Services	87,100	61,029	(26,071)
Communications	3,000	3,949	949
Professional Development	2,000	-	(2,000)
Other Contractual Services	51,725	53,248	1,523
Other - System Improvements	482,525	1,986	(480,539)
Total Operations and Maintenance	<u>\$ 762,600</u>	<u>\$ 224,098</u>	<u>\$ (538,502)</u>
Total Operating Expenses	<u>\$ 762,600</u>	<u>\$ 224,098</u>	<u>\$ (538,502)</u>
Operating Income	\$ 44,900	\$ 596,024	\$ 551,124
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
Investment Income	-	1,072	1,072
INCOME/(LOSS) BEFORE TRANSFERS	\$ 44,900	\$ 597,096	\$ 552,196
TRANSFERS	-	-	-
CHANGE IN NET POSITION	<u>\$ 44,900</u>	\$ 597,096	<u>\$ 552,196</u>
NET POSITION - MAY 1, 2020		<u>1,896,459</u>	
NET POSITION - APRIL 30, 2021		<u>\$ 2,493,555</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION - BUDGET AND ACTUAL  
NONMAJOR ENTERPRISE FUND - PARKING  
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original and Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 65,000	\$ 107	\$ (64,893)
Total Operating Revenues	<u>\$ 65,000</u>	<u>\$ 107</u>	<u>\$ (64,893)</u>
<b>OPERATING EXPENSES</b>			
Operations and Maintenance			
Wages and Benefits	\$ 45,000	\$ 45,000	\$ -
Professional Services	5,000	4,350	(650)
Service Charges and Fees	7,500	6,339	(1,161)
Other Contractual Services	27,000	26,750	(250)
Maintenance Supplies	2,000	-	(2,000)
General Supplies	1,000	360	(640)
Other	250	60	(190)
Total Operations and Maintenance	<u>\$ 87,750</u>	<u>\$ 82,859</u>	<u>\$ (4,891)</u>
Depreciation Expense	<u>\$ 32,000</u>	<u>\$ 32,136</u>	<u>\$ 136</u>
Total Operating Expenses	<u>\$ 119,750</u>	<u>\$ 114,995</u>	<u>\$ (4,755)</u>
Operating Income	\$ (54,750)	\$ (114,888)	\$ (60,138)
NON-OPERATING REVENUE/(EXPENSE)	<u>-</u>	<u>-</u>	<u>-</u>
INCOME/(LOSS) BEFORE TRANSFERS	\$ (54,750)	\$ (114,888)	\$ (60,138)
TRANSFERS	<u>55,000</u>	<u>55,000</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ 250</u>	<u>\$ (59,888)</u>	<u>\$ (60,138)</u>
NET POSITION - MAY 1, 2020		<u>159,088</u>	
NET POSITION - APRIL 30, 2021		<u>\$ 99,200</u>	

See Accompanying Independent Auditor's Report



CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS  
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2008  
 APRIL 30, 2021

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Date of Contract: March 25, 2008  
 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

Fiscal year	Principal	Interest	Total
2022	\$ 165,000	\$ 22,284	\$ 187,284
2023	170,000	15,145	185,145
2024	180,000	7,789	187,789
TOTAL	<u>\$ 515,000</u>	<u>\$ 45,218</u>	<u>\$ 560,218</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS  
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2010  
 APRIL 30, 2021

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Date of Contract: July 1, 2010  
 Date of Maturity: December 15, 2024  
 Amount of Contract: \$800,000  
 Interest Rates: 4.00% to 5.20%  
 Interest Dates: June 15 and December 15  
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal year	Principal	Interest	Total
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	<u>\$ 280,000</u>	<u>\$ 35,810</u>	<u>\$ 315,810</u>

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS  
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2013  
 APRIL 30, 2021

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Date of Contract: April 16, 2013  
 Date of Maturity: December 15, 2026  
 Amount of Contract: \$5,000,000  
 Interest Rates: 2.0% to 2.35%  
 Interest Dates: June 15 and December 15  
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal year	Principal	Interest	Total
2022	\$ 390,000	\$ 52,532	\$ 442,532
2023	400,000	44,732	444,732
2024	410,000	36,732	446,732
2025	420,000	28,532	448,532
2026	430,000	20,134	450,134
2027	445,000	10,455	455,455
TOTAL	<u>\$ 2,495,000</u>	<u>\$ 193,117</u>	<u>\$ 2,688,117</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS  
 SPECIAL SERVICE AREA #6 REFUNDING BONDS SERIES 2018  
 APRIL 30, 2021

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Date of Contract: September 27, 2018  
 Date of Maturity: December 15, 2028  
 Amount of Contract: \$1,820,000  
 Interest Rates: 2.0% - 3.5%  
 Interest Dates: June 15 and December 15  
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal year	Principal	Interest	Total
2022	\$ 170,000	\$ 48,570	\$ 218,570
2023	175,000	43,895	218,895
2024	180,000	38,733	218,733
2025	185,000	33,243	218,243
2026	190,000	27,322	217,322
2027	195,000	21,052	216,052
2028	205,000	14,423	219,423
2029	210,000	7,350	217,350
TOTAL	<u>\$ 1,510,000</u>	<u>\$ 234,588</u>	<u>\$ 1,744,588</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS  
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS  
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2020  
 APRIL 30, 2021

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Date of Contract: December 17, 2020  
 Date of Maturity: December 15, 2026  
 Amount of Contract: \$4,195,000  
 Interest Rates: 5.0%  
 Interest Dates: June 15 and December 15  
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal year	Principal	Interest	Total
2022	\$ 600,000	\$ 208,585	\$ 808,585
2023	630,000	179,750	809,750
2024	675,000	148,250	823,250
2025	720,000	114,500	834,500
2026	760,000	78,500	838,500
2027	810,000	40,500	850,500
TOTAL	<u>\$ 4,195,000</u>	<u>\$ 770,085</u>	<u>\$ 4,965,085</u>

See Accompanying Independent Auditor's Report

STATISTICAL SECTION

**City of Prospect Heights**

SCHEDULE OF NET POSITION  
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental activities</b>										
Net investment in capital assets	\$ 20,446,392	\$ 20,113,377	\$ 19,930,723	\$ 18,303,531	\$ 18,110,058	\$ 17,523,954	\$ 16,150,710	\$ 14,535,816	\$ 15,382,392	\$ 16,599,408
Restricted	6,906,338	7,501,994	5,851,418	4,578,961	3,039,842	2,391,930	3,764,297	4,916,572	4,479,708	5,597,845
Unrestricted	50,848,934	46,924,167	47,827,839	49,295,498	49,316,897	48,059,501	54,085,418	6,085,044	2,714,558	(620,976)
<b>Total governmental activities net position</b>	<b>\$ 78,201,664</b>	<b>\$ 74,539,538</b>	<b>\$ 73,609,980</b>	<b>\$ 72,177,990</b>	<b>\$ 70,466,797</b>	<b>\$ 67,975,385</b>	<b>\$ 74,000,425</b>	<b>\$ 25,537,432</b>	<b>\$ 22,576,658</b>	<b>\$ 21,576,277</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 3,732,602	\$ 3,594,501	\$ 3,483,275	\$ 3,480,418	\$ 3,567,935	\$ 3,668,729	\$ 3,716,285	\$ 3,816,254	\$ 3,916,223	\$ 4,009,527
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,232,274	3,651,849	2,908,562	2,182,272	1,661,730	1,591,601	1,382,414	47,901,097	48,245,908	47,992,223
<b>Total business-type activities net position</b>	<b>\$ 7,964,876</b>	<b>\$ 7,246,350</b>	<b>\$ 6,391,837</b>	<b>\$ 5,662,690</b>	<b>\$ 5,229,665</b>	<b>\$ 5,260,330</b>	<b>\$ 5,098,699</b>	<b>\$ 51,717,351</b>	<b>\$ 52,162,131</b>	<b>\$ 52,001,750</b>
<b>Total City</b>										
Net investment in capital assets	\$ 24,178,994	\$ 23,707,878	\$ 23,413,998	\$ 21,783,949	\$ 21,677,993	\$ 21,192,683	\$ 19,866,995	\$ 18,352,070	\$ 192,298,615	\$ 20,608,935
Restricted	6,906,338	7,501,994	5,851,418	4,578,961	3,039,842	2,391,930	3,764,297	4,916,572	4,479,708	5,597,845
Unrestricted	55,081,208	50,576,016	50,736,401	51,477,770	50,978,627	49,651,102	55,467,832	53,986,141	50,960,466	47,371,247
<b>Total City net position</b>	<b>\$ 86,166,540</b>	<b>\$ 81,785,888</b>	<b>\$ 80,001,817</b>	<b>\$ 77,840,680</b>	<b>\$ 75,696,462</b>	<b>\$ 73,235,715</b>	<b>\$ 79,099,124</b>	<b>\$ 77,254,783</b>	<b>\$ 247,738,789</b>	<b>\$ 73,578,027</b>

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. In FY2014-15 the City's net position for 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. \*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.

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>EXPENSES</b>										
<b>GOVERNMENTAL ACTIVITIES:</b>										
General Government	\$ 2,390,858	\$ 3,922,988	\$ 3,513,914	\$ 3,433,291	\$ 2,861,594	\$ 3,378,267	\$ 3,308,818	\$ 3,015,194	\$ 2,827,609	\$ 2,412,558
Public Safety	4,722,778	5,480,494	5,164,772	5,627,109	5,317,950	4,903,945	4,638,103	4,353,155	4,357,277	2,963,020
Public Works	2,311,977	2,826,123	2,175,072	2,162,147	1,979,107	2,359,857	2,464,382	2,206,406	2,029,365	1,945,801
Interest on long-term debt	803,545	330,386	421,297	546,271	527,668	663,219	796,754	1,097,241	803,325	895,818
Joint Venture Airport	90,908	315,175	870,117	549,037	65,299	661,580	360,206	-	-	-
<b>Total governmental activities expenses</b>	<b>\$ 10,320,066</b>	<b>\$ 12,875,166</b>	<b>\$ 12,145,172</b>	<b>\$ 12,317,855</b>	<b>\$ 10,751,618</b>	<b>\$ 11,966,868</b>	<b>\$ 11,568,263</b>	<b>\$ 10,671,996</b>	<b>\$ 10,017,576</b>	<b>\$ 8,217,197</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Water	\$ 733,565	\$ 741,474	\$ 690,868	\$ 644,927	\$ 619,237	\$ 589,212	\$ 592,541	\$ 634,627	\$ 650,693	\$ 600,174
Sewer	224,098	151,328	286,057	95,557	81,023	39,291	-	-	-	-
Airport	-	-	-	-	-	-	-	365,947	-	-
Parking	114,995	105,580	116,628	78,037	54,868	70,471	67,552	83,334	60,603	48,259
<b>Total business-type activities expenses</b>	<b>\$ 1,072,658</b>	<b>\$ 998,382</b>	<b>\$ 1,093,553</b>	<b>\$ 818,521</b>	<b>\$ 755,128</b>	<b>\$ 698,974</b>	<b>\$ 660,093</b>	<b>\$ 1,083,908</b>	<b>\$ 711,296</b>	<b>\$ 648,433</b>
<b>Total City expense</b>	<b>\$ 11,392,724</b>	<b>\$ 13,873,548</b>	<b>\$ 13,238,725</b>	<b>\$ 13,136,376</b>	<b>\$ 11,506,746</b>	<b>\$ 12,665,842</b>	<b>\$ 12,228,356</b>	<b>\$ 11,755,904</b>	<b>\$ 10,728,872</b>	<b>\$ 8,865,630</b>
<b>PROGRAM REVENUES</b>										
<b>GOVERNMENTAL ACTIVITIES:</b>										
<b>CHARGES FOR SERVICES:</b>										
General Government	\$ 2,202,438	\$ 2,026,338	\$ 1,564,725	\$ 2,290,522	\$ 2,420,438	\$ 2,182,833	\$ 2,364,357	\$ 2,126,829	\$ 2,047,787	\$ 1,908,177
Public Safety	280,142	495,501	1,008,724	836,534	855,480	803,173	886,793	505,526	301,287	389,228
Public Works	470,159	503,905	467,470	-	-	-	-	-	-	-
Operating grants and contributions	544,897	467,715	1,264,463	1,088,026	683,539	981,268	1,087,223	800,285	1,175,743	988,568
Capital grants and contributions	-	-	-	-	-	-	325,000	-	-	2,373
<b>Total governmental activities program revenues</b>	<b>\$ 3,497,636</b>	<b>\$ 3,493,459</b>	<b>\$ 4,305,382</b>	<b>\$ 4,215,082</b>	<b>\$ 3,959,457</b>	<b>\$ 3,967,274</b>	<b>\$ 4,663,373</b>	<b>\$ 3,432,640</b>	<b>\$ 3,524,817</b>	<b>\$ 3,288,346</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Charges for Services - Water	\$ 911,409	\$ 884,266	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663	\$ 710,576	\$ 761,883
Charges for Services - Parking	107	56,347	63,013	65,835	88,231	69,066	65,749	55,588	58,038	53,375
Charges for Services - Sewer	820,122	810,119	800,312	256,813	316,027	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	288,502	253,987	955,781
<b>Total business-type activities program revenues</b>	<b>\$ 1,731,638</b>	<b>\$ 1,750,732</b>	<b>\$ 1,698,092</b>	<b>\$ 1,145,387</b>	<b>\$ 1,197,053</b>	<b>\$ 839,893</b>	<b>\$ 846,037</b>	<b>\$ 1,139,753</b>	<b>\$ 1,022,601</b>	<b>\$ 1,771,039</b>
<b>Total City program revenues</b>	<b>\$ 5,229,274</b>	<b>\$ 5,244,191</b>	<b>\$ 6,003,474</b>	<b>\$ 5,360,469</b>	<b>\$ 5,156,510</b>	<b>\$ 4,807,167</b>	<b>\$ 5,509,410</b>	<b>\$ 4,572,393</b>	<b>\$ 4,547,418</b>	<b>\$ 5,059,385</b>
<b>NET (EXPENSE)/REVENUE</b>										
Governmental activities	\$ (6,822,430)	\$ (9,381,707)	\$ (7,463,436)	\$ (6,471,237)	\$ (7,345,831)	\$ (7,240,783)	\$ (6,008,623)	\$ (6,584,936)	\$ (4,692,380)	\$ (6,035,528)
Business-type activities	658,980	752,350	879,571	390,259	498,079	179,800	(237,871)	428,457	374,168	151,843
<b>Total government net expense</b>	<b>\$ (6,163,450)</b>	<b>\$ (8,629,357)</b>	<b>\$ (6,583,865)</b>	<b>\$ (6,080,978)</b>	<b>\$ (6,847,752)</b>	<b>\$ (7,060,983)</b>	<b>\$ (6,246,494)</b>	<b>\$ (6,156,479)</b>	<b>\$ (4,318,212)</b>	<b>\$ (5,883,685)</b>

(continued)

**City of Prospect Heights**

SCHEDULE OF CHANGES IN NET POSITION  
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>GOVERNMENTAL ACTIVITIES:</b>										
Taxes										
Property Taxes	\$ 2,803,898	\$ 3,094,831	\$ 3,103,154	\$ 3,863,343	\$ 2,606,246	\$ 2,840,100	\$ 3,160,113	\$ 2,853,719	\$ 2,121,669	\$ 1,773,580
Local Sales and local use	1,067,586	857,827	800,765	665,197	693,918	377,196	445,284	568,819	540,258	547,969
Utility	734,867	741,096	819,355	873,443	911,263	918,980	1,059,104	1,135,095	1,142,928	1,228,521
Hotel occupancy tax	171,901	675,388	791,836	827,607	849,495	811,689	776,817	757,813	745,932	678,815
Places for eating tax	215,459	296,949	318,704	318,595	326,929	306,113	302,612	301,808	272,726	247,236
Other	1,547,282	1,075,509	859,522	835,152	380,978	241,802	177,164	145,210	83,521	13,037
Intergovernmental										
Income Tax	1,973,191	1,602,005	1,681,769	1,479,199	1,532,543	1,662,974	1,637,723	1,552,422	1,538,101	1,377,307
State Sales Tax	1,275,604	1,348,179	1,405,229	1,121,542	981,646	828,941	924,209	822,982	734,219	712,340
Other	140,013	26,779	113,182	197,279	189,323	157,582	138,920	527,304	2,491	3,504
Investment earnings	584,016	336,135	62,058	125,859	42,524	27,546	(166,558)	30,600	18,295	7,857
Insurance proceeds	-	-	-	-	-	-	-	-	-	524,837
Miscellaneous	23,383	324,567	36,622	78,241	87,083	127,295	228,725	63,423	113,280	191,679
Adjustment to land held for resale/Gain on Disposal	-	-	-	534,500	-	-	577,432	-	-	-
Bond Proceeds, Net of Bond Costs	2,356	-	-	-	-	-	-	-	-	-
Transfers	(55,000)	(68,000)	-	470,000	426,000	283,420	218,000	210,202	271,897	134,695
<b>Total governmental activities</b>	<b>\$ 10,484,556</b>	<b>\$ 10,311,265</b>	<b>\$ 9,992,196</b>	<b>\$ 11,389,957</b>	<b>\$ 9,027,948</b>	<b>\$ 8,583,638</b>	<b>\$ 9,479,545</b>	<b>\$ 8,969,397</b>	<b>\$ 7,585,317</b>	<b>\$ 7,441,377</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Investment earnings	\$ 4,546	\$ 34,163	\$ 36,844	\$ 16,111	\$ 5,076	\$ 4,597	\$ 3,347	\$ 3,293	\$ 3,786	\$ 3,496
Transfers	55,000	68,000	-	(470,000)	(426,000)	(283,420)	(218,000)	(210,202)	(271,897)	(134,695)
Miscellaneous	-	-	-	7,343	-	(114)	638	-	35	25,867
<b>Total business-type activities</b>	<b>\$ 59,546</b>	<b>\$ 102,163</b>	<b>\$ 36,844</b>	<b>\$ (446,546)</b>	<b>\$ (420,924)</b>	<b>\$ (278,937)</b>	<b>\$ (214,015)</b>	<b>\$ (206,909)</b>	<b>\$ (268,076)</b>	<b>\$ (105,332)</b>
<b>Total City</b>	<b>\$ 10,544,102</b>	<b>\$ 10,413,428</b>	<b>\$ 10,029,040</b>	<b>\$ 10,943,411</b>	<b>\$ 8,607,024</b>	<b>\$ 8,304,701</b>	<b>\$ 9,265,530</b>	<b>\$ 8,762,488</b>	<b>\$ 7,317,241</b>	<b>\$ 7,336,045</b>
Business-type activities:										
Capital contributed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in Net Position</b>										
Governmental activities	\$ 3,662,126	\$ 929,558	\$ 1,431,990	\$ 3,377,484	\$ 2,491,412	\$ 576,227	\$ 1,878,556	\$ 2,960,774	\$ 1,000,381	\$ 2,748,997
Business-type activities	718,526	854,513	729,147	433,025	(30,665)	219,142	(34,215)	(444,780)	160,381	268,836
<b>Total City</b>	<b>\$ 4,380,652</b>	<b>\$ 1,784,071</b>	<b>\$ 2,161,137</b>	<b>\$ 3,810,509</b>	<b>\$ 2,460,747</b>	<b>\$ 795,369</b>	<b>\$ 1,844,341</b>	<b>\$ 2,515,994</b>	<b>\$ 1,160,762</b>	<b>\$ 3,017,833</b>

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**

PROGRAM REVENUES BY FUNCTION / PROGRAM  
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>FUNCTION/PROGRAM</b>										
<b>Governmental Activities:</b>										
General Government	\$ 2,726,133	\$ 2,307,643	\$ 2,326,301	\$ 2,463,713	\$ 2,447,259	\$ 2,547,250	\$ 2,314,047	\$ 2,510,429	\$ 2,348,316	\$ 2,400,820
Public Safety	295,558	681,911	780,603	1,372,795	1,138,978	995,886	1,163,395	1,290,628	604,721	498,135
Public Works	475,945	503,905	478,062	468,874	628,845	416,321	489,832	862,316	479,603	625,862
<b>Total governmental activities revenue</b>	<b>\$ 3,497,636</b>	<b>\$ 3,493,459</b>	<b>\$ 3,584,966</b>	<b>\$ 4,305,382</b>	<b>\$ 4,215,082</b>	<b>\$ 3,959,457</b>	<b>\$ 3,967,274</b>	<b>\$ 4,663,373</b>	<b>\$ 3,432,640</b>	<b>\$ 3,524,817</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Water	\$ 911,409	\$ 884,267	\$ 904,744	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663	\$ 710,576
Sewer	820,122	810,119	817,775	800,312	256,813	316,027	-	-	-	-
Parking	107	56,347	63,337	63,013	65,835	88,231	69,066	65,749	55,588	58,038
<b>Total business-type activities revenue</b>	<b>\$ 1,731,638</b>	<b>\$ 1,750,733</b>	<b>\$ 1,785,856</b>	<b>\$ 1,698,092</b>	<b>\$ 1,145,387</b>	<b>\$ 1,197,053</b>	<b>\$ 839,893</b>	<b>\$ 846,037</b>	<b>\$ 851,251</b>	<b>\$ 768,614</b>
<b>Total City revenues</b>	<b>\$ 5,229,274</b>	<b>\$ 5,244,192</b>	<b>\$ 5,370,822</b>	<b>\$ 6,003,474</b>	<b>\$ 5,360,469</b>	<b>\$ 5,156,510</b>	<b>\$ 4,807,167</b>	<b>\$ 5,509,410</b>	<b>\$ 4,283,891</b>	<b>\$ 4,293,431</b>

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

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012*
<b>GENERAL FUND</b>										
Nonspendable	\$ 737,831	\$ 2,587,535	\$ 2,785,969	\$ 5,088,947	\$ 5,141,789	\$ 5,193,298	\$ 912,697	\$ 1,006,087	\$ 581,238	\$ 571,418
Restricted	61,421	62,861	67,411	64,928	38,365	24,113	36,232	36,217	16,400	204,793
Committed	3,000,000	3,000,000	3,000,000	2,040,716	2,313,752	2,156,168	2,170,017	1,935,777	1,896,721	1,598,657
Assigned	-	-	-	-	5,820,743	5,820,743	7,390,154	7,276,612	207,071	160,984
Unassigned	9,573,389	5,996,595	5,190,357	2,427,037	1,981,199	815,340	2,660,707	1,883,135	5,839,621	3,660,530
<b>Total General Fund</b>	<b>\$ 13,372,641</b>	<b>\$ 11,646,991</b>	<b>\$ 11,043,737</b>	<b>\$ 9,621,628</b>	<b>\$ 15,295,848</b>	<b>\$ 14,009,662</b>	<b>\$ 13,169,807</b>	<b>\$ 12,137,828</b>	<b>\$ 8,541,051</b>	<b>\$ 6,196,382</b>
<b>All other governmental funds</b>										
Non-Spendable	\$ 40,883	\$ -	\$ -	\$ 5,124	\$ 27,667	\$ 42,696	\$ 35,633	\$ 34,229	\$ 36,314	\$ -
Restricted	6,844,917	7,439,133	5,784,007	4,514,033	3,187,285	2,574,925	4,225,375	6,465,481	10,178,801	11,277,733
Committed	5,899,063	6,202,088	6,362,045	101,808	604,636	515,063	443,185	381,867	345,985	258,413
Assigned	-	-	-	7,650,743	-	-	2,662,210	2,965,409	3,449,314	3,482,838
Unassigned	(181,442)	(1,934,047)	(1,967,338)	(1,775,676)	(2,843,438)	(2,554,328)	(240,924)	(286,499)	(378,965)	(624,594)
<b>Total all other governmental funds</b>	<b>\$ 12,603,421</b>	<b>\$ 11,707,174</b>	<b>\$ 10,178,714</b>	<b>\$ 10,496,032</b>	<b>\$ 976,150</b>	<b>\$ 578,356</b>	<b>\$ 7,125,479</b>	<b>\$ 9,560,487</b>	<b>\$ 13,631,449</b>	<b>\$ 14,394,390</b>
<b>Total</b>	<b>\$ 25,976,062</b>	<b>\$ 23,354,165</b>	<b>\$ 21,222,451</b>	<b>\$ 20,117,660</b>	<b>\$ 16,271,998</b>	<b>\$ 14,588,018</b>	<b>\$ 20,295,286</b>	<b>\$ 21,698,315</b>	<b>\$ 22,172,500</b>	<b>\$ 20,590,772</b>

\*Note: GASB Statement No. 54 was implemented in fiscal year 2012. With this implementation, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned, rather than the reserved and unreserved components previously reported.

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>REVENUES</b>										
Taxes (1)	\$ 5,461,469	\$ 6,103,552	\$ 6,280,683	\$ 5,634,372	\$ 5,768,829	\$ 5,495,880	\$ 5,811,094	\$ 5,762,464	\$ 4,907,034	\$ 4,489,158
Intergovernmental (2)	4,855,514	3,869,442	3,690,604	4,894,938	3,634,801	3,206,224	3,660,906	4,168,859	2,853,609	3,112,744
Licenses	1,131,253	753,644	1,039,421	980,328	936,288	899,237	932,368	1,063,648	844,911	887,172
Fines and Forfeits	246,353	395,210	661,319	655,993	797,392	784,430	755,188	849,736	467,308	256,814
Charges for Services	1,575,133	1,876,890	1,646,230	1,404,598	1,388,736	1,586,423	1,291,741	1,353,391	1,309,694	1,169,635
Investment Income	584,016	336,135	62,058	660,359	42,524	27,546	(166,558)	30,600	18,295	7,857
Miscellaneous	181,098	537,851	196,847	994,751	248,460	259,935	366,648	222,968	360,742	908,119
<b>Total Revenues</b>	<b>\$ 14,034,836</b>	<b>\$ 13,872,724</b>	<b>\$ 13,577,162</b>	<b>\$ 15,225,339</b>	<b>\$ 12,817,030</b>	<b>\$ 12,259,675</b>	<b>\$ 12,651,387</b>	<b>\$ 13,451,666</b>	<b>\$ 10,761,593</b>	<b>\$ 10,831,499</b>
<b>EXPENDITURES</b>										
General Government	\$ 2,500,429	\$ 2,867,245	\$ 3,162,049	\$ 2,984,783	\$ 2,595,262	\$ 3,251,307	\$ 2,977,917	\$ 2,891,222	\$ 2,681,900	\$ 2,324,123
Public Safety	4,962,073	5,086,397	4,845,427	5,097,514	4,865,825	4,653,389	4,424,004	4,164,469	4,015,241	3,347,253
Public Works	1,199,218	1,132,742	894,780	970,223	970,636	1,085,664	1,195,842	905,608	807,717	938,495
Capital Outlay	499,433	878,093	1,847,249	546,920	904,469	2,188,781	3,138,652	4,099,039	5,328,497	5,001,238
Debt Service										
Principal	1,400,000	1,350,000	1,290,000	1,755,000	1,670,000	6,320,000	2,225,000	1,201,421	766,421	5,611,727
Interest	799,142	358,533	432,866	495,237	552,858	751,222	888,433	845,196	903,898	1,367,351
<b>Total expenditures</b>	<b>\$ 11,360,295</b>	<b>\$ 11,673,010</b>	<b>\$ 12,472,371</b>	<b>\$ 11,849,677</b>	<b>\$ 11,559,050</b>	<b>\$ 18,250,363</b>	<b>\$ 14,849,848</b>	<b>\$ 14,106,955</b>	<b>\$ 14,503,674</b>	<b>\$ 18,590,187</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 2,674,541</b>	<b>\$ 2,199,714</b>	<b>\$ 1,104,791</b>	<b>\$ 3,375,662</b>	<b>\$ 1,257,980</b>	<b>\$ (5,990,688)</b>	<b>\$ (2,198,461)</b>	<b>\$ (655,289)</b>	<b>\$ (3,742,081)</b>	<b>\$ (7,758,688)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from borrowing	\$ 4,195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 15,541,544
Bond issuance costs	(4,192,644)	-	-	-	-	-	-	-	-	-
Premiums on GO debt issued	-	-	-	-	-	-	-	-	51,912	-
Transfers in	1,939,683	250,000	605,957	7,650,743	1,521,651	1,405,948	1,674,633	2,140,433	2,486,746	2,010,488
Transfers out	(1,994,683)	(318,000)	(605,957)	(7,180,743)	(1,095,651)	(1,122,528)	(1,456,633)	(1,930,231)	(2,214,849)	(1,875,793)
Gain/(Loss) on sales of assets held for resale	-	-	-	-	-	-	577,432	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ (52,644)</b>	<b>\$ (68,000)</b>	<b>\$ -</b>	<b>\$ 470,000</b>	<b>\$ 426,000</b>	<b>\$ 283,420</b>	<b>\$ 795,432</b>	<b>\$ 210,202</b>	<b>\$ 5,323,809</b>	<b>\$ 15,676,239</b>
<b>Net Change in fund balances</b>	<b>\$ 2,621,897</b>	<b>\$ 2,131,714</b>	<b>\$ 1,104,791</b>	<b>\$ 3,845,662</b>	<b>\$ 1,683,980</b>	<b>\$ (5,707,268)</b>	<b>\$ (1,403,029)</b>	<b>\$ (445,087)</b>	<b>\$ 1,581,728</b>	<b>\$ 7,917,551</b>
Debt service as a percentage of noncapital expenditures	19.8%	15.3%	16.1%	19.6%	20.9%	43.8%	26.2%	20.2%	17.7%	49.9%

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, Glenview shared revenue Motor Fuel, Grants, Seizure revenue.

(2) Intergovernmental includes state sales tax, income tax, personal property replacement tax, Glenview shared revenue Motor Fuel, Grants, and DEA Seizure revenue.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

**City of Prospect Heights**

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

Fiscal Year Ended April 30 <sup>th</sup>	Property	Income	Local Use	State Sales	Non-Home Rule Sales	Utility	Telecom	Motor Fuel	Hotel	Places for Eating	Other (1)	Total
2021	\$ 2,803,898	\$ 1,973,191	\$ 728,665	\$ 1,275,604	\$ 338,921	\$ 568,527	\$ 166,340	\$ 1,079,524	\$ 171,901	\$ 215,459	\$ 607,771	\$ 9,929,801
2020	3,094,831	1,602,005	562,074	1,348,179	295,753	544,180	196,916	638,048	675,388	296,949	464,240	9,718,563
2019	3,103,154	1,681,769	488,057	1,405,229	312,708	572,703	246,652	412,653	791,836	318,704	560,051	9,893,516
2018	3,863,343	1,479,199	357,865	1,121,542	307,332	547,699	325,744	415,065	827,607	318,595	617,366	10,181,357
2017	2,606,246	1,532,543	400,105	981,646	293,813	549,678	361,585	412,033	849,495	326,929	570,301	8,884,374
2016	2,840,100	1,662,974	377,196	828,941	271,344	502,378	416,601	415,810	811,689	306,113	396,598	8,829,744
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
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
2013	2,121,669	1,538,101	260,876	734,219	279,382	577,463	565,465	464,753	745,932	2,853,719	(2,494,981)	7,646,598
2012	1,773,580	1,377,307	277,752	712,340	270,217	565,924	662,597	482,202	678,815	247,236	16,514	7,064,484

(1) 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**

ASSESSSED 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
2020	\$ 347,407,354	\$ 89,079,489	\$ 17,704,256	\$ -	\$ 454,191,099	0.380	\$ 1,363,937,234
2019	344,603,503	81,658,591	8,768,049	-	435,030,143	0.402	1,306,396,826
2018	315,563,465	69,200,826	7,152,131	-	391,916,422	0.443	1,176,926,192
2017	317,801,414	71,597,503	7,400,492	-	396,799,409	0.433	1,191,589,817
2016	319,199,567	66,515,762	6,939,523	-	392,654,852	0.434	1,179,143,700
2015	264,487,804	60,418,905	6,878,199	-	331,784,908	0.486	996,351,075
2014	271,057,625	64,033,525	6,801,574	-	341,892,724	0.486	1,026,704,877
2013	259,301,835	55,630,818	16,778,346	-	331,710,999	0.498	996,129,126
2012	326,698,695	53,355,167	17,279,177	-	397,333,039	0.319	1,193,192,309
2011	440,623,173	59,082,360	19,118,359	-	440,623,173	0.162	1,323,192,712

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.

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>CITY DIRECT RATES</b>										
Police Pension and Roads	0.380	0.402	0.443	0.433	0.434	0.486	0.486	0.498	0.319	0.162
<b>TOTAL DIRECT RATES</b>	<b>0.380</b>	<b>0.402</b>	<b>0.443</b>	<b>0.433</b>	<b>0.486</b>	<b>0.486</b>	<b>0.498</b>	<b>0.319</b>	<b>0.162</b>	<b>0.054</b>
<b>OVERLAPPING RATES</b>										
County of Cook	0.453	0.454	0.489	0.496	0.533	0.552	0.568	0.560	0.531	0.462
Forest Preserve District of Cook County	0.058	0.059	0.060	0.062	0.063	0.069	0.069	0.069	0.063	0.058
Metropolitan Water Reclamation District	0.378	0.389	0.040	0.402	0.406	0.426	0.430	0.417	0.370	0.320
Consolidated Elections	-	-	-	-	-	0.034	-	0.031	-	0.025
Northfield Township - General	0.022	0.021	0.024	0.023	0.024	0.028	0.032	0.031	0.024	0.020
Northfield Township - General Assistance	0.007	0.007	0.007	0.006	0.006	0.007	0.007	0.008	0.009	0.008
Northfield Township - Road & Bridge	0.049	0.048	0.052	0.049	0.049	0.057	0.054	0.053	0.046	0.041
Wheeling Township - General	0.037	0.038	0.043	0.043	0.041	0.055	0.052	0.056	0.052	0.048
Wheeling Township - General Assistance	0.008	0.008	0.009	0.009	0.008	0.010	0.010	0.010	0.009	0.009
Wheeling Township - Road & Bridge	0.013	0.014	0.016	0.015	0.014	0.020	0.019	0.019	0.016	0.015
Northfield Woods Sanitary District	0.084	0.082	0.093	0.065	0.088	0.098	0.099	0.098	0.082	0.079
Old Town Sanitary District	-	-	-	-	-	-	0.028	0.028	0.023	0.020
Northwest Mosquito Abatement District	0.010	0.010	0.011	0.010	0.010	0.011	0.013	0.013	0.011	0.010
Arlington Heights Township High School #214	2.382	2.356	2.669	2.563	2.527	2.881	2.776	2.768	2.324	2.060
Northfield Township High School #225	2.084	2.006	2.216	2.102	2.106	2.493	2.367	2.341	2.028	1.819
Harper Community College District #512	0.409	0.403	0.443	0.425	0.416	0.466	0.451	0.444	0.373	0.334
Oakton Community College District #535	0.227	0.221	0.246	0.232	0.231	0.271	0.258	0.256	0.219	0.196
Arlington Heights Park District	0.469	0.457	0.514	0.494	0.488	0.626	0.636	0.633	0.545	0.496
Prospect Heights Park District	0.777	0.751	0.817	0.784	0.770	0.912	0.884	0.856	0.746	0.661
River Trails Park District	0.637	0.626	0.708	0.681	0.665	0.769	0.748	0.747	0.632	0.553
Wheeling Park District	0.783	0.778	0.880	0.842	0.829	0.924	0.890	0.899	0.738	0.654
Prospect Heights Public Library District	0.526	0.525	0.572	0.547	0.545	0.621	0.597	0.599	0.489	0.437
Indian Trails Public Library District	0.458	0.446	0.493	0.481	0.476	0.534	0.529	0.504	0.463	0.393
Northbrook Rural Fire Protection District	0.659	0.629	0.730	0.703	0.690	0.800	0.800	0.800	0.700	0.700
Prospect Heights Fire Protection District	1.004	0.969	1.057	1.018	0.979	1.148	1.102	1.091	0.934	0.845
Glenbrook Fire District	0.672	0.652	0.761	0.726	0.720	0.815	0.796	0.788	0.713	0.703
<b>City of Prospect Heights:</b>										
Special Service Area #1	-	-	-	-	0.291	0.035	0.035	0.035	0.035	0.199
Special Service Area #2	-	-	-	-	0.783	0.930	0.911	0.930	0.895	0.268
Special Service Area #3	-	-	-	-	0.101	0.119	0.107	0.098	0.078	0.180
Special Service Area #4	-	-	-	-	0.852	0.910	0.909	0.831	0.664	0.256
Special Service Area #5	0.040	0.049	0.062	0.061	0.142	0.018	0.018	0.018	0.012	0.049
Special Service Area #6	1.215	1.147	1.261	1.326	1.328	1.511	1.449	1.434	1.174	1.065
Special Service Area #8	0.393	0.518	0.622	0.593	0.979	1.105	1.072	1.079	0.847	0.278
School District #21 - Wheeling	4.683	4.691	5.276	5.022	4.966	5.642	5.430	4.841	4.556	4.164
School District #23 - Prospect Heights	3.416	3.312	3.595	3.479	3.404	4.062	3.922	3.932	3.273	2.869
School District #25 - Arlington Heights	3.334	3.246	3.617	3.488	3.424	3.990	3.678	3.659	3.416	3.101
School District #26 - River Trails	3.991	3.916	4.365	4.198	4.140	4.742	3.873	3.873	3.873	3.458
School District #31 - West Northfield	2.672	2.577	2.842	2.700	2.699	3.107	2.911	2.946	2.525	2.018

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

Data Source

Cook County Tax Extension Office

**City of Prospect Heights**

**PRINCIPAL PROPERTY TAX PAYERS**  
Current Year and Nine Years Ago

Taxpayer	At Fiscal Year End April 30, 2021			At Fiscal Year End April 30, 2012		
	2020 Taxable Assessed Value	Rank	Percentage of Total City 2020 Taxable Assessed Value	2011 Taxable Assessed Value	Rank	Percentage of Total City 2011 Taxable Assessed Value
Briarwood Lakes LP	\$ 11,558,632	1	2.66%	\$ 6,803,538	1	1.71%
CR Congress LLC	10,285,044	2	2.36%	4,298,886	5	1.08%
Conor Globe	8,300,255	3	1.91%			
Individual	8,131,462	4	1.87%	6,291,547	2	1.58%
Palwaukee Equities LLC	5,541,460	5	1.27%	5,222,369	3	1.31%
Dimensions Living PH	4,030,343	6	0.93%			0.00%
Greenbrier of Prospect Heights	3,750,532	7	0.86%			0.00%
Voss Bros	2,735,967	8	0.63%	3,055,885	6	0.77%
Landmark Infrastructur	2,725,997	9	0.63%			
Palwaukee Hospitality	2,532,616	10	0.58%			0.00%
Costa Construction Inc.			0.00%	1,776,893	10	0.45%
Signature Flight			0.00%	2,193,839	9	0.55%
Allstate Insurance Co.			0.00%	2,568,588	8	0.65%
Bays Northbrook Hosp C			0.00%	4,999,958	4	1.26%
HCP Inc.			0.00%	2,920,731	7	0.74%
Total assessed valuation	<u>\$ 59,592,308</u>		<u>13.70%</u>	<u>\$ 40,132,234</u>		<u>10.10%</u>
Total equalized assessed valuation	<u>\$ 435,030,143</u>			<u>\$ 397,333,039</u>		

Data Source

Cook County Clerk's Office - Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2019 EAV is the most current available.

**City of Prospect Heights**

SALES TAX BY CATEGORY  
Last Ten Calendar Years <sup>(1)</sup>

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General merchandise <sup>(2)</sup>	\$ 12,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	589,135	485,924	461,254	426,406	293,489	267,897	357,378	144,027	133,768	152,351
Drinking and eating places	119,617	182,111	201,661	191,882	184,738	178,967	184,757	174,266	154,219	152,708
Apparel	1,904	-	1,845	2,152	-	2,045	-	-	6,416	6,380
Furniture and H.H. and radio	17,923	18,401	19,572	23,216	18,627	23,547	21,462	24,330	26,104	28,024
Lumber, building, hardware <sup>(2)</sup>	9,660	12,953	13,411	13,742	14,704	11,008	10,290	11,654	10,028	10,067
Automobile and filling stations	148,293	149,248	137,502	113,645	112,460	120,164	150,517	114,943	94,981	97,985
Drugs and miscellaneous retail	199,053	195,732	194,850	193,722	194,775	177,608	174,312	202,437	216,589	210,793
Agriculture and all others	64,218	103,112	96,156	89,748	81,475	64,376	54,980	56,541	51,254	51,930
Manufacturers <sup>(2)</sup>	1,913	2,115	-	-	2,134	-	1,889	6,486	-	-
Unclassified <sup>(2)</sup>	-	12,081	14,505	18,320	13,029	14,083	14,534	18,710	18,075	19,442
<b>TOTAL</b>	<b>\$ 1,164,628</b>	<b>\$ 1,161,679</b>	<b>\$ 1,140,756</b>	<b>\$ 1,072,834</b>	<b>\$ 915,431</b>	<b>\$ 859,695</b>	<b>\$ 970,118</b>	<b>\$ 753,394</b>	<b>\$ 711,434</b>	<b>\$ 729,680</b>
<b>CITY'S DIRECT SALES TAX RATE</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>
<b>NUMBER OF TAXPAYERS</b>	<b>329</b>	<b>337</b>	<b>346</b>	<b>323</b>	<b>323</b>	<b>344</b>	<b>286</b>	<b>288</b>	<b>292</b>	<b>269</b>

Notes:

<sup>(1)</sup> Data not available on a City fiscal-year basis. Data available for a calendar year only and excludes non-home rules sales tax.

<sup>(2)</sup> 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**

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Fiscal Year Ended April 30th	City Direct Rate	City Non-Home Rule Rate <sup>(1)</sup>	State of Illinois Rate	Cook County Rate	Regional Transportation Authority Rate	Total Sales Tax Rate
2021	1.00	0.50	5.25	1.75	1.00	9.50
2020	1.00	0.50	5.25	1.75	1.00	9.50
2019	1.00	0.50	5.25	1.75	1.00	9.50
2018	1.00	0.50	5.25	1.75	1.00	9.50
2017	1.00	0.50	5.25	1.75	1.00	9.50
2016	1.00	0.50	5.25	1.75	1.00	9.50
2015	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
2013	1.00	0.50	5.25	0.75	1.00	8.50
2012	1.00	0.50	5.00	1.25	1.00	8.75

Notes:

<sup>(1)</sup> 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
2021	2020 (1)	\$ 2,127,247	\$ 1,001,514	47.1	\$ -	\$ 1,001,514	47.1
2020	2019	2,134,786	2,043,236	95.7	-	2,043,236	95.7
2019	2018	2,122,828	2,062,401	97.2	(25,683)	2,036,718	95.9
2018	2017	2,122,428	2,089,087	98.4	(28,612)	2,060,475	97.1
2017	2016	2,352,436	2,378,151	98.7	(82,925)	2,295,226	97.6
2016	2015	2,350,877	2,337,323	99.4	(47,947)	2,289,376	97.4
2015	2014	2,275,959	2,265,225	99.5	(56,391)	2,208,834	97.1
2014	2013	2,239,335	2,216,999	99.0	(28,056)	2,188,943	97.7
2013	2012	1,867,308	1,846,797	98.9	(6,497)	1,840,300	98.6
2012	2011	1,173,647	1,156,270	98.5	(5,143)	1,151,127	98.1

(1) Levy year 2020 reflects 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	2020 (1)	2019	2018	2017	2016	2015	2014	2013	2012	2011
City-wide - Police pension	\$ 170,962	\$ 363,605	\$ 348,709	\$ 342,138	\$ 332,225	\$ 309,233	\$ 285,061	\$ 278,360	\$ 273,548	\$ 262,783
Road Bonds	627,306	1,336,038	1,312,347	1,322,420	1,325,081	1,323,904	1,325,863	1,333,510	973,048	435,100
Special services area #1	-	-	-	-	-	27,240	27,139	27,236	33,955	20,454
Special services area #2	-	-	-	-	42,257	41,972	43,907	42,772	51,050	16,153
Special services area #3	-	-	-	-	25,622	24,614	22,709	20,435	20,516	50,970
Special services area #4	-	-	-	-	42,848	40,988	41,158	37,884	35,822	16,116
Special services area #5	14,561	25,962	25,046	25,596	61,950	61,660	6,209	5,612	5,225	25,847
Special services area #6	110,040	221,808	222,732	244,593	246,095	245,840	248,715	245,125	243,677	242,554
Special services area #8	78,645	95,823	127,884	125,728	219,148	213,925	208,072	198,009	203,459	81,151
<b>Total collections to date</b>	<b>\$ 1,001,514</b>	<b>\$ 2,043,236</b>	<b>\$ 2,036,718</b>	<b>\$ 2,060,475</b>	<b>\$ 2,295,226</b>	<b>\$ 2,289,376</b>	<b>\$ 2,208,834</b>	<b>\$ 2,188,943</b>	<b>\$ 1,840,300</b>	<b>\$ 1,151,127</b>
<b>Levy as extended</b>	<b>\$ 2,127,247</b>	<b>\$ 2,134,786</b>	<b>\$ 2,122,828</b>	<b>\$ 2,122,428</b>	<b>\$ 2,352,436</b>	<b>\$ 2,350,877</b>	<b>\$ 2,275,959</b>	<b>\$ 2,239,415</b>	<b>\$ 1,867,308</b>	<b>\$ 1,173,647</b>
Percent collected	47.1%	95.7%	95.9%	97.1%	97.6%	97.4%	97.1%	97.7%	98.6%	98.1%

(1) Levy year 2020 reflects 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 <sup>th</sup>	Governmental Activities					Business-Type Activities		Total City	Percentage of Personal Income <sup>(1)</sup>	Per Capita <sup>(1)</sup>
	General Obligation Bonds	Tax Increment Notes Payable	Installment Contract Payable	Special Service Area Bonds	Note Payable	General Obligation Bonds				
2021	\$ 7,861,688	\$ -	\$ -	\$ 1,510,000	\$ -	\$ 280,000	\$ 9,371,688	1.60	589.90	
2020	9,104,636	-	-	1,670,000	-	340,000	11,114,636	1.97	699.61	
2019	10,315,144	-	-	1,820,000	-	400,000	12,535,144	2.22	789.02	
2018	11,513,393	-	-	1,895,000	-	455,000	13,863,393	2.52	872.62	
2017	12,661,057	500,000	-	2,015,000	-	510,000	15,686,057	2.83	978.60	
2016	13,783,723	945,000	-	2,130,000	-	565,000	17,423,723	3.33	1,066.91	
2015	19,586,389	1,365,000	-	2,240,000	-	615,000	23,806,389	4.65	1,465.73	
2014	21,319,953	1,765,000	-	2,340,000	-	665,000	26,089,953	5.07	1,592.21	
2013	21,870,000	2,110,000	-	2,435,000	56,421	715,000	27,186,421	5.20	1,655.89	
2012	17,160,000	2,440,000	-	2,525,000	112,842	765,000	23,002,842	4.84	1,401.93	

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

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

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

**City of Prospect Heights**

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
Last Ten Fiscal Years

Fiscal Year Ended April 30th	General Bond Debt	Less: Amounts Available for General Bonded Debt	Net General Bonded Debt	Percentage of Estimated Actual Value of Taxable Property <sup>(1)</sup>	Per Capita <sup>(2)</sup>
2021	\$ 8,141,688	\$ 861,750	\$ 7,279,938	0.53	458.23
2020	9,444,637	876,774	8,567,863	0.66	539.30
2019	10,715,144	887,607	9,827,537	0.84	618.59
2018	11,968,393	863,923	11,104,470	0.93	692.77
2017	13,171,057	844,926	12,326,131	1.05	754.77
2016	14,348,723	815,212	13,533,511	1.36	833.24
2015	20,201,389	783,635	19,417,754	1.95	1,185.02
2014	21,984,953	549,369	21,435,584	2.09	1,305.61
2013	22,585,000	242,291	22,342,709	2.24	1,361.70
2012	17,160,000	-	17,160,000	1.44	1,048.45

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 Annual Comprehensive Financial Report

**City of Prospect Heights**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
April 30, 2021

<u>Governmental Unit</u> (Debt repaid with property taxes)	2020 Valuation	2020 Assessed Value in City	General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Overlapping Taxing Authority:</b>					
Cook County	\$ 173,853,469,818	\$ 454,191,099	\$ 2,596,351,750	0.26%	\$ 6,782,953
Cook County Forest Preserve	173,853,469,818	454,191,099	125,285,000	0.26%	327,306
Metropolitan Water Reclamation District	170,892,723,661	454,191,099	2,694,934,289 (1)	0.27%	7,162,477
<b>Others:</b>					
Arlington Heights Park District	3,249,612,320	40,368,417	11,155,000 (4)	1.24%	138,573
Prospect Heights Park District	386,548,711	226,336,897	6,080,000 (2)	58.55%	3,560,039
River Trails Park District	581,370,345	111,337,604	9,040,375 (2)	19.15%	1,731,312
Wheeling Park District	1,210,167,275	63,905,289	9,725,000 (2)	5.28%	513,548
Indian Trails Public Library	1,724,927,684	112,152,955	3,245,000	6.50%	210,986
<b>School Districts:</b>					
School District 21	2,170,674,440	142,970,609	88,265,000	6.59%	5,813,539
School District 23	606,125,712	230,322,987	7,840,000	38.00%	2,979,138
School District 26	613,283,438	61,259,289	12,215,000	9.99%	1,220,284
School District 31	669,257,911	12,242,892	11,410,000	1.83%	208,726
Arlington Hts. Township High School District 214	10,209,815,304	441,948,207	27,650,000 (4)	4.33%	1,196,875
Northfield Township High School District 225	6,047,073,464	12,242,892	60,080,429 (3)	0.20%	121,639
Harper Community College 512	21,725,865,745	441,948,207	254,770,000	2.03%	5,182,539
Total Overlapping General Obligation Bonded Debt					<u>\$ 16,722,740</u>
<b>Direct Debt:</b>					
City of Prospect Heights	435,030,143	435,030,143	7,205,000 (4)	100.000%	<u>7,205,000</u>
Total Direct and Overlapping General Obligation Bonded Debt					<u><u>\$ 44,354,934</u></u>

\* Excludes Prospect Heights Special Service Areas #6 bonds in the amount of \$1510,000 which applies to only a small portion of the City.

(1) Includes IEPA Revolving Loan Fund Bonds

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

(3) Includes original principal amounts of General Obligation Capital Appreciation Bonds

(4) Excludes outstanding debt certificates

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

Legal debt margin calculation for period ending April 30, 2021

Assessed value - 2020 tax year  
Debt limit (8.625% of assessed value)  
Debt applicable to limit:  
General obligation debt (includes water bonds)

Legal debt margin

Levy Year Fiscal Year	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012
Assessed value <sup>(1)</sup>	\$ 454,191,099	\$ 435,030,143	\$ 391,916,422	\$ 396,799,409	\$ 392,654,852	\$ 331,784,908	\$ 341,892,724	\$ 331,710,999	\$ 397,333,039	\$ 440,623,173
Debt limit	39,173,982	37,521,350	33,802,791	34,223,949	33,866,481	28,616,448	29,488,247	28,610,074	34,269,975	38,003,749
Total net debt applicable to limit	8,141,688	9,444,637	10,715,144	11,968,393	13,171,057	14,348,723	20,201,389	21,984,953	22,585,000	17,160,000
Legal debt margin	\$ 31,032,294	\$ 28,076,713	\$ 23,087,647	\$ 22,255,556	\$ 20,695,424	\$ 14,267,725	\$ 9,286,858	\$ 6,625,121	\$ 11,684,975	\$ 20,843,749
Total net debt applicable to the limit as a percentage of debt limit	20.78%	25.17%	31.70%	34.97%	38.89%	50.14%	68.51%	76.84%	65.90%	45.15%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 8.625 percent of total assessed property value.

(1) Assessed value reflects most current information available at end of fiscal year. For example, 2020 assessed value provided for fiscal year 2021.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

**City of Prospect Heights**  
**PLEDGED-REVENUE COVERAGE**  
Last Ten Fiscal Years

Fiscal Year Ended April 30th	Tax Increment Allocation Notes, Series 2004					
	Incremental Property Taxes and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ 610,601	\$ 557,038	\$ 53,563	\$ -	\$ -	NA
2020	969,147	250,673	718,474	-	-	NA
2019	1,014,466	17,772	996,694	-	-	NA
2018	1,126,564	2,911	1,123,653	500,000	24,500	2.14
2017	206,597	51,816	154,781	445,000	46,305	0.32
2016	304,512	177,542	126,970	420,000	66,886	0.26
2015	537,291	320,561	216,730	400,000	84,485	0.45
2014	630,802	168,477	462,325	345,000	99,665	1.04
2013	700,571	373,304	327,267	330,000	114,185	0.74
2012	1,044,418	190,972	853,447	310,000	127,825	1.95

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 Annual Comprehensive Financial Report

## City of Prospect Heights

### DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

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Calendar Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2021	15,887	\$ 585,038,775	\$ 36,825	8.4
2020	15,887	563,861,404	35,492	15.8
2019	15,887	563,861,404	35,492	15.8
2018	16,029	550,275,570	34,330	4.3
2017	16,331	553,441,259	33,889	4
2016	16,242	523,934,436	32,258	6.4
2015	16,386	512,422,992	31,272	5.7
2014	16,418	514,129,670	31,315	6
2013	16,408	522,430,720	31,840	5.8
2012 (2)	16,367	475,134,010	29,030	6.7

#### Data Sources

(1) U.S. Census Bureau.

(2) U.S. Census Bureau, Per capita money income in past 12 months (2018 dollars) 2014-2018

(3) Illinois Department of Employment Security (IDES) - Homefacts

**City of Prospect Heights**

PRINCIPAL EMPLOYERS  
Current Year and Nine Years Ago

Fiscal Year Ended April 30, 2021					Fiscal Year Ended April 30, 2012				
Employer	Business/Service	Employees	Percent of Total	Rank	Employer	Business/Service	Employees	Rank	
Prospect Heights Park District	Parks and Recreation	120	* 1.45%	4	Prospect Heights Park District	Parks and Recreation	158	4	
School District Number 23	Elementary Public Schools	205	* 2.49%	1	School District #23	Elementary Public Schools	190	* 2	
Hilton Hotel and Allgauer's Restaurant	Hotel and Restaurant	150	* 1.82%	2	Hilton Hotel and Allgauer's Restaurant	Hotel and Restaurant	163	* 3	
Tony's Fresh Market	Retail Grocery Store	150	* 1.82%	3	School District #26	Elementary Public Schools	250	* 1	
Crowne Plaza	Hotel and Restaurant	35	* 0.42%	10	Siemens Hearing Instruments	Orthopedic appliances, hearing aids	119	5	
Terrance Electric & Technology	Commercial & Industrial Printing	85	* 1.03%	5	Terrance Electric & Technology	Commercial & Industrial Printing	60	7	
City of Prospect Heights	Municipal Government (FTE)	42	0.51%	7	City of Prospect Heights	Municipal Government (FTE)	38	* 9	
Prospect Heights Fire Protection District	Fire Protection	30	* 0.36%	8	Prospect Heights Fire Protection District	Fire Protection	64	6	
Labor Solutions, LLC	Employment contractors	45	0.55%	6	Walgreens	Retail Store and Pharmacy	33	* 10	
Prospect Heights Public Library	Public library	42	* 0.51%	9	Prospect Heights Public Library	Public library	45	8	
<b>Total</b>		<b>904</b>	<b>10.96%</b>		<b>Total</b>		<b>1,120</b>		

\* Includes Full-time, Part-time and/or Seasonal

Data Sources

- (1) The U.S. Census Bureau reports that there were 8,249 persons employed in the City in 2019.
- (2) 2017 Illinois Manufacturers and Services Directories
- (3) USA.com database

**City of Prospect Heights**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION / PROGRAM  
Last Ten Fiscal Years

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>GENERAL GOVERNMENT</b>										
Administration	3.50	3.50	3.50	3.50	2.00	3.50	1.25	3.00	3.00	2.50
Finance	-	-	-	-	1.00	1.50	1.25	1.50	1.50	1.50
Building and Zoning	4.00	4.00	4.00	4.00	2.50	3.00	2.50	3.50	3.50	2.50
Engineering	-	-	-	-	1.00	-	0.50	0.50	0.50	0.50
<b>PUBLIC SAFETY</b>										
Police Sworn	23.00	23.00	22.00	23.00	24.00	27.00	27.00	27.00	26.00	21.00
Police Civilian	4.00	4.00	3.00	4.00	1.00	4.00	4.00	3.50	3.00	2.00
<b>PUBLIC WORKS</b>										
Administration	1.00	1.00	1.00	1.00	0.50	2.00	2.00	1.00	1.00	1.00
Streets and Sewers	1.00	1.00	1.00	2.00	1.90	2.00	2.00	2.00	2.00	2.00
Forestry	-	-	-	-	1.50	-	-	-	-	-
Drainage	1.00	1.00	1.00	1.00	1.50	1.00	1.00	1.00	1.00	1.00
Building Maintenance	1.00	1.00	1.00	1.00	-	1.00	-	-	-	-
Vehicle Maintenance	1.00	1.00	1.00	-	1.10	1.00	1.00	1.00	1.00	1.00
Water	1.25	1.25	1.25	1.25	1.00	1.50	1.50	1.50	1.50	1.50
Sanitary Sewer	1.25	1.25	1.25	0.25	-	0.50	-	-	-	-
<b>CONVENTION &amp; VISITORS BUREAU</b>										
	-	-	-	-	5.00	-	-	-	-	2.00
<b>Total</b>	<b>42.00</b>	<b>42.00</b>	<b>40.00</b>	<b>41.00</b>	<b>44.00</b>	<b>48.00</b>	<b>44.00</b>	<b>45.50</b>	<b>44.00</b>	<b>38.50</b>

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Police</b>										
Number of calls	4,867	5,149	5,598	5,438	5,484	5,447	5,816	5,597	5,409	5,467
Part One Offenses <sup>(1)</sup>	139	101	145	122	138	106	176	178	188	206
Part Two Offenses <sup>(2)</sup>	675	475	443	521	586	652	737	740	723	548
Part One Arrests <sup>(1)</sup>	34	28	34	33	61	41	30	34	39	38
Part Two Arrests <sup>(2)</sup>	275	367	378	475	658	745	431	456	442	280
Auto Accident investigations	155	366	399	423	407	389	377	333	315	268
<b>Building &amp; Zoning <sup>(3)</sup></b>										
Building permits issued (residential and commercial)	708	516	638	791	834	559	471	457	351	294
Value of all construction permits issued	\$ 17,523,466	\$ 30,099,264	\$ 16,298,545	\$ 9,762,995	\$ 23,904,289	\$ 31,981,883	\$ 18,888,073	\$ 13,186,191	\$ 11,655,638	\$ 14,171,540
Plan reviews	669	595	595	819	880	796	503	748	727	625
Building inspections	1,144	1,562	1,501	2,016	1,294	946	743	777	744	917
Rental dwelling inspections	1,569	1,554	1,681	2,363	1,682	1,397	1,599	1,457	1,132	1,027
Health inspections	134	158	219	152	192	87	142	261	285	349
<b>Engineering</b>										
Right-of-way permits reviewed	27	39	22	15	14	27	32	31	47	38
Subdivision reviews (number)	2	-	1	3	3	-	-	-	1	2
Road program/street reconstruction (linear feet)	-	-	-	-	-	-	-	-	32,090	45,156
Road program/resurfacing (linear feet)	-	550	13,400	-	4,700	-	-	48,568	17,057	17,057
<b>Public works - general</b>										
Streets cold patching (in tons)	6	4	6	9	5	6	3	10	8	32
Streets resurfaced (square yards)	-	-	-	-	-	-	-	110,550	137,901	107,401
Streets cleaned (miles)	4.00	5.00	6.00	6.00	4.00	21.00	20.33	21.40	20.30	21.40
Snow plowing/salting (hours)	878	495	670	7	540	552	835	1,810	1,074	519
Storm sewers repaired & cleaned (linear feet)	4,200	3,500	2,700	3,250	8,200	2,162	2,720	5,294	4,562	31,270
Service requests (residential and intra-city)	2,100	2,150	2,080	2,210	2,150	2,244	2,118	2,317	2,106	2,380
JULIE utility locates	2,109	2,294	2,726	3,246	3,046	3,718	2,680	2,571	2,463	2,204
Parkway trees planted	5	6	7	3	2	37	34	28	-	-
<b>Public works - Water</b>										
Gallons of water billed (in thousands)	52,547	42,197	43,205	41,600	43,889	43,889	43,889	44,290	47,596	47,249
Main break repairs	2	5	1	2	1	1	5	-	-	2
Meters replaced	14	15	7	1	-	-	-	-	2	-
Services initiated	-	1	-	-	2	2	-	1	16	2

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

**City of Prospect Heights**

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM  
Last Ten Fiscal Years

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Police</b>										
Patrol units	17	17	17	17	18	18	18	18	14	14
Stations	1	1	1	1	1	1	1	1	1	1
<b>Public works</b>										
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)	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.23	9.23
Buildings maintained	6	6	6	6	6	6	6	6	6	6
Sanitary sewers (miles)	44.70	44.70	44.70	44.70	44.70	44.70	8.35	8.35	8.35	8.35
Storm sewer lift stations	3	3	3	3	3	2	2	2	2	2
Street lights (number)	19	19	19	19	19	19	19	19	19	19
Land maintained (acres)	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07
<b>Water</b>										
Fire hydrants	146	146	146	146	146	146	146	146	146	146
Valves	153	153	153	153	153	153	153	153	153	153
Pump stations	1	1	1	1	1	1	1	1	1	1
Interconnects	2	2	2	2	2	2	2	2	1	1
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.