



City of Prospect Heights, Illinois

Annual Comprehensive Financial Report

Year End April 30, 2022



Prepared by:
The Finance Department

CITY OF PROSPECT HEIGHTS, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED APRIL 30, 2022

PREPARED BY:
FINANCE DEPARTMENT

CITY OF PROSPECT HEIGHTS, ILLINOIS
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INTRODUCTORY SECTION



January 3, 2023

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, 2022 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, 2022 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, 2022 are fairly presented in conformity with GAAP. The independent auditors' report 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, 2022 were \$2,847,536 compared to \$2,004,100 for the previous year.

With the lifting of COVID-19 required restrictions during the past year, the City of Prospect Heights' average unemployment rate as of June, 2022 was 7.6%, which was down from 9.2% in the previous year. The City of Prospect Heights had a median family income of \$72,500, as of the 2020 Census, which was 5% higher than the State of Illinois average and 6% greater than the national average.



For fiscal year 2022, the City issued 553 construction permits (residential and commercial) valued at \$13.4 million, as compared to 708 permits the previous year with a value of \$17.5 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 2022-2026 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 FY2022, 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

- Negotiated property and sales tax sharing agreement with Village of Glenview for former Allstate property to provide long-term sustainable revenue stream for City.
- Began construction on Arlington Countryside Storm Water Management Project. Anticipated completion in Fall 2022.
- Received \$1,126,734 grant for the construction of a sidewalk along Wolf Road from Community Project Funding through Congressman Brad Schneider's office.
- Applied for a \$1,200,000 Community Project Funding request through Congressman Jan Schakowsky's office for the River Trails Storm Water Improvement Project. Anticipated award in 2023.
- Provided staff support to Boards and Commissions.
- Delivered 2022-2027 Capital Improvement Plan.
- Began Phase I preliminary engineering for Camp McDonald Road sidewalk.
- Obtained Invest in Cook grant for Phase II Engineering for Camp McDonald Road sidewalk.
- Continued Willow Road planning process with Metropolitan Water Reclamation District and Cook County Department of Transportation.
- Completed collective bargaining negotiations with Police Officers and Sergeants unions

Building & Community Development Department

- Lexington Homes – Prospect Pointe/Muir Point Redevelopment Project received Final Plat and Redevelopment Plan approval from City Council in 2021. The project received Tax Increment Financing District support from the other affected taxing districts and the necessary ordinances and inter-governmental agreements were finalized. The 69-unit townhome development project includes significant public improvements including a community well, fire suppression, storm water management improvement for the project area, and redevelopment of Muir Park.
- Deli 4 You Redevelopment – The owners of the shopping center have completed major remodeling of the plaza. The project included an expansion of the existing Deli 4 You grocery store, addition of Garfield's Liquor store in a longstanding vacant retail space and major exterior renovation. This improvement was a direct result of the City's sale of the City owned parking lot to the property owners.
- COVID 19 Impact: City staff worked closely with all commercial property owners during Fiscal Year 2021-22 to ensure City's restaurants remained open and safe to patronize.



Engineering

- Completed Phase 2 of the sewer rehabilitation project – point repair, lining & root control
- Continued coordination with Metropolitan Water Reclamation District for the Willow Road/Owen Court 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
- Completed design, solicited bids, and awarded the construction contract for the Arlington Countryside storm sewer improvement
- Completed construction on the Schoenbeck sidewalk between Camp McDonald and West Marion Street
- Submitted and received IDOT approval for the final Project Development Report for the Phase I design work for the Wolf Road Sidewalk - Palatine Road to Train Station
- Solicited appraisals for the acquisition of a flood prone property at 214 S. Wheeling Road, to be funded by the Metropolitan Water Reclamation District.

Police Department

- Promotion of Detective Sergeant Bill Caponigro to Deputy Chief
- Promotion of Detective Derman to Patrol Sergeant
- Assign Officer to the vacant DEA (Drug Enforcement Officer) Task Force
- Assign Officer to the vacant NIPAS (Northern Illinois Police Alarms Systems) Task Force
- Assign Officer to the vacant MCAT (Major Case Assistance Team) Homicide Surveillance Team
- Finalize Squad Car Camera purchase and Policy
- Advertise TWO police tests, oral exams and background checks
- Fill TWO open police positions and TWO open part-time positions
- Fill vacant Records Clerk position
- Purchased a “Taser Suit” to train officers for deploying tasers
- Jiu Jitsu training for all sworn officers
- Purchased 3 new tasers, batteries and cartridges

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 3 sewer replacement and root treatments, and completed the process of CIP lining selected sections.
- Completed full Levee 37 wall and gate cleaning and testing 2022.
- Increased Covid-19 Building Services- upgraded air filtration standards, improved cleaning requirements, added sanitizer stations, and temperature check stations.

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- Lower expenditures across Public Works operations.
- Improve response and tracking of resident concerns.
- Completed Willow Road resurfacing project
- Started ACS storm water project- expected completion September 2022

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, 2022 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 pandemic relief funds.

Population Projections

As reported in the 2020 Census, the City had a population of 15,691, 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 CAFR 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 ten consecutive years (fiscal years ended 2012 through 2021). We believe that our current report, FY22, 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.

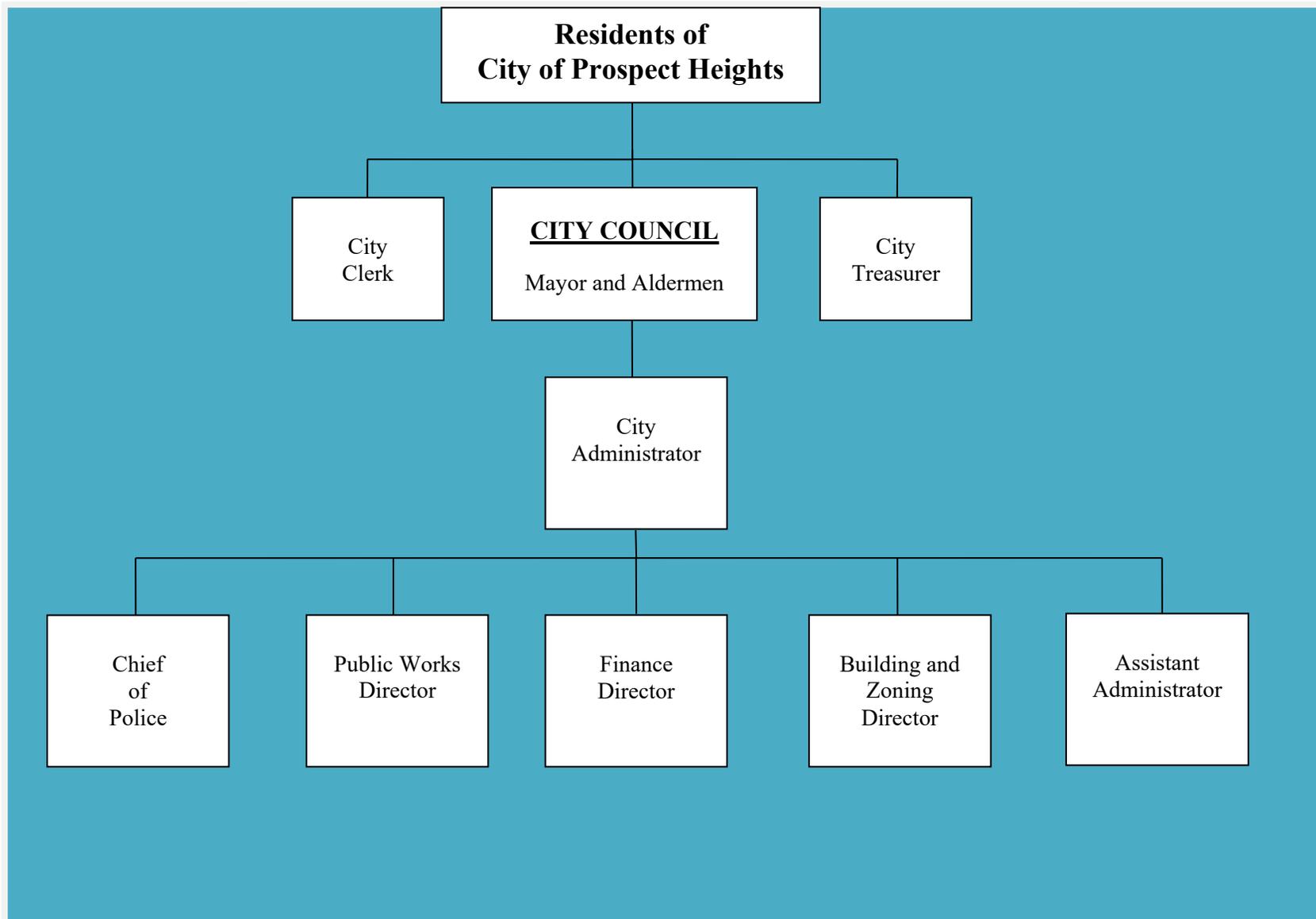
Finally, appreciation is expressed to the Mayor, City Council, City Administrator and Management for their leadership and support in planning and conducting the fiscal affairs of the City.

Respectfully submitted,

Cheri Graefen

Cheri Graefen
Finance Director

CITY OF PROSPECT HEIGHTS, ILLINOIS
Organizational Chart
April 30, 2022





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Prospect Heights
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2021

Christopher P. Morill

Executive Director/CEO

CITY OF PROSPECT HEIGHTS, ILLINOIS

PRINCIPAL OFFICIALS

APRIL 30, 2022

CITY COUNCIL

Matthew Dolick, Acting Mayor

Michelle Cameron, Alderman

Danielle Dash, Alderman

Patrick Ludvigsen, Alderman

Matthew Dolick, Alderman

Wendy Morgan-Adams, Alderman

Joanna Prisiajniouk, City Clerk

Richard Tibbits, City Treasurer

ADMINISTRATION

Joe Wade, City Administrator

Chief of PoliceJim Zawlocki

Building and Zoning Director Dan Peterson

Finance DirectorCheri Graefen

Public Works Director Mark Roscoe

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Prospect Heights and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Prospect Heights's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Prospect Heights's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023 on our consideration of City of Prospect Heights's 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's internal control over financial reporting and compliance.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
January 3, 2023



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, 2022, 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 January 3, 2023.

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
January 3, 2023

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2022

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 15 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, Motor Fuel Tax 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, 2022 was \$94,141,112 which represents an increase of \$7,974,572 as compared to the April 30, 2021 amounts. The City's net position from governmental activities increased by \$7,124,860 and net position from business-type activities increased by \$849,712 based upon FY2021 balances. Table 1 below presents a summary of governmental and business-type net position as of April 30, 2022 compared to April 30, 2021.

	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
Assets						
Current and Other Assets	\$ 79,056,644	\$ 71,870,662	\$ 5,218,820	\$ 4,461,256	\$ 84,275,464	\$ 76,331,918
Capital Assets	29,458,287	29,818,080	4,096,299	4,012,602	33,554,586	33,830,682
Total Assets	\$ 108,514,931	\$ 101,688,742	\$ 9,315,119	\$ 8,473,858	\$ 117,830,050	\$ 110,162,600
Deferred Outflows of Resources	\$ 2,433,844	\$ 2,663,245	\$ 3,063	\$ 12,810	\$ 2,436,907	\$ 2,676,055
Liabilities						
Current Liabilities	\$ 1,401,094	\$ 1,314,772	\$ 48,309	\$ 41,541	\$ 1,449,403	\$ 1,356,313
Noncurrent Liabilities	8,261,708	9,711,128	225,559	298,717	8,487,267	10,009,845
IMRF Net Pension Liability	-	2,191	-	1,923	-	4,114
Net Police Pension Liability	10,496,477	8,629,273	-	-	10,496,477	8,629,273
Total OPEB Liability	1,665,848	1,727,654	110,486	114,601	1,776,334	1,842,255
Total Liabilities	\$ 21,825,127	\$ 21,385,018	\$ 384,354	\$ 456,782	\$ 22,209,481	\$ 21,841,800
Deferred Inflows of Resources	\$ 3,797,124	\$ 4,765,305	\$ 119,240	\$ 65,010	\$ 3,916,364	\$ 4,830,315
Net Position						
Net Investment in Capital						
Assets	\$ 21,528,171	\$ 20,446,392	\$ 3,881,299	\$ 3,732,602	\$ 25,409,470	\$ 24,178,994
Restricted	9,264,424	6,906,338	-	-	9,264,424	6,906,338
Unrestricted	54,533,929	50,848,934	4,933,289	4,232,274	59,467,218	55,081,208
Total Net Position	\$ 85,326,524	\$ 78,201,664	\$ 8,814,588	\$ 7,964,876	\$ 94,141,112	\$ 86,166,540

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 FY2022, governmental activities net position totaled \$85,326,524, reflecting an increase of \$7,124,860 over the prior fiscal year. Governmental activities total assets increased \$6,826,189 and governmental activities total liabilities increased \$440,109.

The \$6,826,189 increase in total assets resulted primarily from a \$4,555,656 increase in cash, a \$1,369,797 increase in the IMRF Net Pension Asset, and an \$824,780 increase in the Airport Joint Venture investment. This was offset by a \$359,793 decrease 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 \$3,063,416 increase in its cash position.

The \$440,109 increase in total liabilities resulted mainly from an increase of \$308,496 in non-current liabilities (Net Police Pension Liability, OPEB Liabilities, Bonds Payable, and Compensated Absences).

Business-Type Activities

The business-type activities net position increased by \$849,712. Business-type activities total assets increased \$841,261 and total liabilities decreased \$72,428. The increase in total assets includes a \$548,949 increase in cash and investments. The \$72,428 decrease in total liabilities includes a \$89,776 decrease in noncurrent liabilities offset by small increases to noncurrent liabilities due within one year and accounts payable.

Changes in Net Position

The City's combined change in net position for FY2022 was an increase of \$7,974,572. Governmental activities saw an increase in net position of \$7,124,860 in FY2022. Business-type activities saw an increase in net position of \$849,712 in FY2022. 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 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021
Revenues						
Program Revenues						
Charges for Services	\$ 2,959,267	\$ 2,952,739	\$ 1,765,436	\$ 1,731,638	\$ 4,724,703	\$ 4,684,377
Operating Grants and Contributions						
	1,900,327	544,897	-	-	1,900,327	544,897
Capital Grants and Contributions						
	160,000	-	-	-	160,000	-
General Revenues						
Taxes						
Property Taxes	2,184,366	2,803,898	-	-	2,184,366	2,803,898
Local Sales and Use Tax	1,161,856	1,067,586	-	-	1,161,856	1,067,586
State Utility Tax	810,890	734,867	-	-	810,890	734,867
Hotel Occupancy Tax	433,315	171,901	-	-	433,315	171,901
Other Taxes	1,280,001	1,762,741	-	-	1,280,001	1,762,741
Intergovernmental						
Income Tax	2,563,987	1,973,191	-	-	2,563,987	1,973,191
State Sales Tax	1,685,682	1,275,604	-	-	1,685,682	1,275,604
Other Intergovernmental	1,094,560	140,013	-	-	1,094,560	140,013
Investment Income	18,384	584,016	3,089	4,546	21,473	588,562
Miscellaneous	79,143	23,383	-	-	79,143	23,383
Bond Costs	-	2,356	-	-	-	2,356
Total Revenues	\$ 16,331,778	\$ 14,037,192	\$ 1,768,525	\$ 1,736,184	\$ 18,100,303	\$ 15,773,376
Expenses						
General Government	\$ 1,722,870	\$ 2,390,858	\$ -	\$ -	\$ 1,722,870	\$ 2,390,858
Public Safety	5,137,184	4,722,778	-	-	5,137,184	4,722,778
Public Works	2,858,351	2,311,977	-	-	2,858,351	2,311,977
Interest	208,293	803,545	-	-	208,293	803,545
Airport (Joint Venture)	(824,780)	90,908	-	-	(824,780)	90,908
Water	-	-	643,873	733,565	643,873	733,565
Sewer	-	-	272,171	224,098	272,171	224,098
Parking	-	-	107,769	114,995	107,769	114,995
Total Expenses	\$ 9,101,918	\$ 10,320,066	\$ 1,023,813	\$ 1,072,658	\$ 10,125,731	\$ 11,392,724
Excess of Revenues Over						
Expenses Before Transfers	\$ 7,229,860	\$ 3,717,126	\$ 744,712	\$ 663,526	\$ 7,974,572	\$ 4,380,652
Transfers	(105,000)	(55,000)	105,000	55,000	-	-
Increase/(Decrease) in Net Position	\$ 7,124,860	\$ 3,662,126	\$ 849,712	\$ 718,526	\$ 7,974,572	\$ 4,380,652
Net Position - Beginning of Year						
	78,201,664	74,539,538	7,964,876	7,246,350	86,166,540	81,785,888
Net Position - End of Year	\$ 85,326,524	\$ 78,201,664	\$ 8,814,588	\$ 7,964,876	\$ 94,141,112	\$ 86,166,540

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.

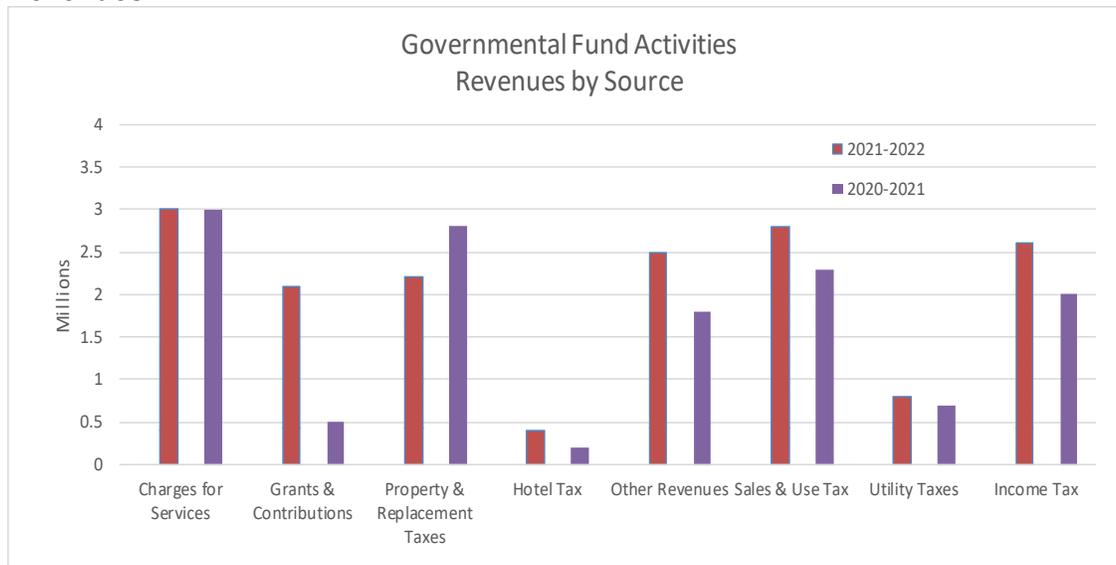
Salary increases (annual adjustments and merit) – The City has three separate bargaining units representing approximately 61% of the employee population.

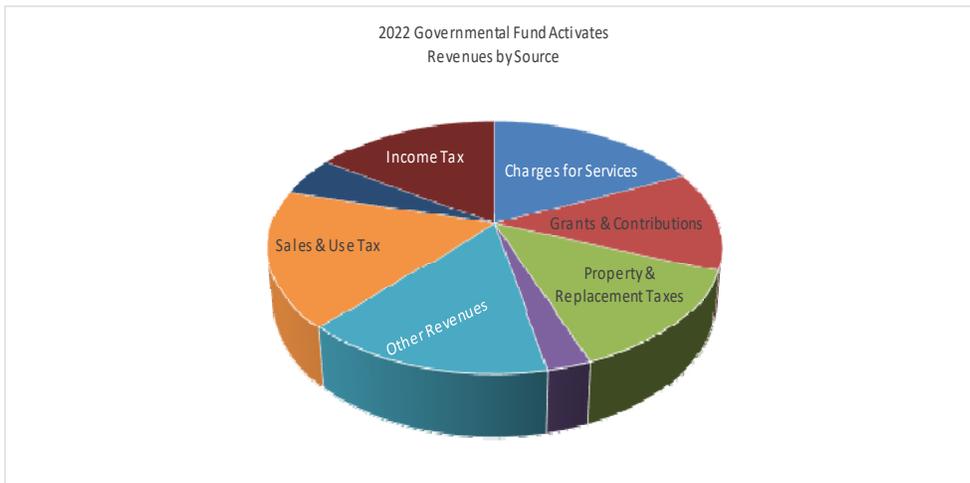
Inflation – While overall inflation has been reasonably low, the City is a major consumer of certain commodities such as supplies, fuel, and utilities. Some specific areas may experience unusually high price increases.

Current Year Impacts on Revenues and Expenses

Governmental Activities

Revenues:





For the fiscal year ended April 30, 2022, revenues from governmental activities totaled \$16,331,778, an increase of \$2,294,586, or 16%, 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 FY2022, these taxes generated a total of \$9,030,291 in revenue for the City, which represented 55% of all governmental activity revenues. For FY2022, these revenues experienced an overall increase of \$1,904,388, or 26.7%. 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.*

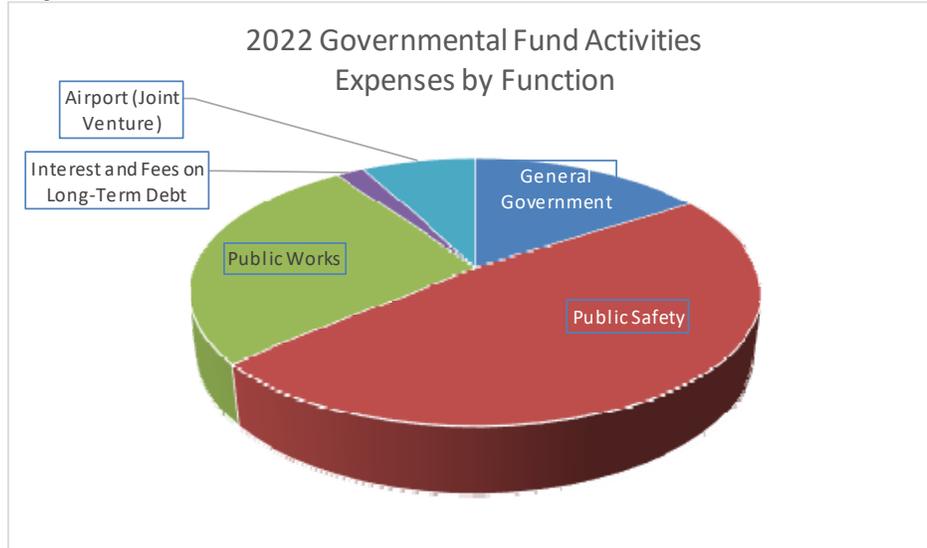
The City generates program revenues via charges for services and operating and capital grants which is the largest revenue source. For FY2022, the total combined revenues generated by these sources were \$5,019,594 which accounted for 31% of total governmental activity revenue. For FY2022, charges for services generated \$2,959,267 in revenue and represented 18% of total governmental activity revenue. In FY2022, charges for services increased \$6,528. 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 \$2,184,366 and 13.3% of total revenues, property taxes comprise the third largest single source of governmental activity revenue for the City. The total property taxes received included \$2,043,539 of taxes levied by the City and \$140,827 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: \$144,090 in taxes generated by two of the City's special service areas for sanitary system, storm water maintenance, and flood control, \$230,598 in taxes generated for Special Service Area Six debt service payments, \$1,226,862 for Road Construction debt, and \$416,035 in taxes generated to assist in funding the City's police pension obligation. In FY2022, property tax revenues decreased by \$619,532.

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 \$129,511 for FY2022). For FY2022, revenue derived from operating and capital grants totaled \$2,060,327 and represented 13% of total governmental activity revenue. Of this total, the City received \$1,080,988 from the American Rescue Plan Act, \$160,000 from the Safe Routes to School Program, and \$530,383 in revenues reimbursed from various sources.

The remaining governmental activity revenues include investment income, sales of city property (of which there were none in FY2022), and miscellaneous fees. For FY2022, these revenues totaled \$97,527. This included investment income of \$18,384, other miscellaneous income of \$79,143.

Expenses:



For the fiscal year ended April 30, 2022, expenses from governmental activities totaled \$9,101,918, which represents a decrease of \$1,218,148, or 11.8%, 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 FY2022, expenses for public safety were \$5,137,184 and represented 56% of total governmental activity expenses. Public safety expenses increased \$414,406 from the prior year. Public works is the second 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 FY2022, expenses for public works totaled \$2,858,351 and represented 31% of total governmental activities expenses and an increase of \$546,374 from the prior year. General government is the third 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 FY2022, expenses for general government were \$1,722,870 which represented 19% of total governmental activities expenses. General government expenses decreased \$667,988 from the prior year. The major factor in the governmental expenses decrease for FY2022 is due to more capital assets being capitalized than in the prior year.

Business-Type Activities

Revenues:

Total revenues for the City’s business-type activities for FY2022 were \$1,768,525, an increase of \$32,341, or 1.8%, from the prior year.

Business-type activities in the City consist of water operations, sanitary sewer, and parking operations. In FY2022, \$834,659 of program revenue was generated by the sanitary system, \$925,498 by the water operations related to charges for services, and \$5,279 by the parking operation from charges for services.

Expenses:

Total expenses for the City's business-type activities for FY2022 were \$1,023,813. Of the total expenses for business-type activities, \$643,873 is attributable to water operations, \$272,171 to sewer, and \$107,769 to parking operations. The main decrease in expenses of \$48,845 is related to decreases of Operations and Maintenance expenses in the Water Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2022, the Governmental Funds reported a combined fund balance of \$30,649,483 which is a \$4,673,421, or 18%, increase from the beginning of the year balance of \$25,976,062. Of the total year-end fund balance, \$11,742,123 is unassigned in the General Fund indicating availability for continuing City services. Total remaining fund balances are as follows: \$698,966 non-spendable, \$9,264,424 restricted, \$9,052,029 committed, and \$(108,059) 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 \$2,098,444, or 16%. The City budgeted for a \$978,073 decrease in fund balance. Revenues came in at \$2,548,295 over budgeted amounts and expenditures were \$528,222 under budget. The increase in revenue partially stems from an overall increase of \$1,448,328 in local and intergovernmental revenues compared to prior year.

The Motor Fuel Tax was established to account for motor fuel tax revenues and other state road grants along with the related expenditures. The Fund's fund balance increased by \$849,150 during FY2022. A portion of the increase was due to a Safe Routes to School grant of \$160,000.

The Capital Projects Fund's fund balance increased by \$1,195,416. The Capital Projects Fund was established for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The increase in fund balance largely came from American Rescue Plan Act funding of just over \$1 million.

The Road Construction Debt Fund's fund balance decreased by \$25,931. Tax receipts for the tax levy were lower than the payments made on the bond payments (both of which decreased at roughly the same amount from the prior year).

Proprietary Funds

At April 30, 2022, the Enterprise Funds have a total net position of \$8,814,588 which accounts for an increase of \$849,712, or 11%, from the prior year.

The Water Fund reflected an increase in net position of \$283,434. This increase was comprised of water billings being greater than expenses. Additionally, operations and maintenance expenses decreased \$88,915 compared to the prior year. 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 \$563,768. This increase was comprised of sewer billings being greater than expenses. Overall revenues and expenses stayed fairly level with the prior year. 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 an increase in net position of \$2,510. The small increase 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, 2022, the Police Pension Fund's net position amounted to \$21,100,140. Deductions exceeded additions during the year, resulting in a decrease of \$1,117,707 in net position. This decrease was mostly due to a \$1,781,547 decrease in fair value of investments.

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 2022

	Original and Final Budget	Actual
Revenues	\$ 8,318,000	\$ 10,866,295
Expenditures	9,194,473	8,666,251
Other Financing Sources (Uses)	(101,600)	(101,600)
Change in Fund Balance	<u>\$ (978,073)</u>	<u>\$ 2,098,444</u>

The City ended the year ahead of budget by \$3,076,517 in the General Fund. The City's revenues were over budget by \$2,548,295, expenses were under budget by \$528,222, and Other Financing Sources/Uses matched the budget exactly.

CAPITAL ASSETS

At the end of FY2022, the City had a combined total of \$33,554,586 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.*

City of Prospect Heights' Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
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	5,014,075	5,205,399	659,831	706,085	5,673,906	5,911,484
Infrastructure	16,029,009	16,173,942	-	-	16,029,009	16,173,942
Water Mains	-	-	2,475,046	2,563,391	2,475,046	2,563,391
Water Reservoir	-	-	55,200	59,800	55,200	59,800
Machinery and Equipment	152,674	165,427	55,736	57,899	208,410	223,326
Office Furniture and Equipment	26,777	25,460	-	-	26,777	25,460
Vehicles	442,652	523,075	77,866	88,971	520,518	612,046
Construction in Progress	86,763	18,440	670,425	434,261	757,188	452,701
Total	\$ 29,458,287	\$ 29,818,080	\$ 4,096,299	\$ 4,012,602	\$ 33,554,586	\$ 33,830,682

For FY2022, the City's total capital assets, net of depreciation, decreased \$276,096. Capital assets of business-type activities increased \$83,697 due to the net effect of construction in progress and annual depreciation. Capital assets of governmental activities decreased \$359,793 due to annual depreciation exceeding any new capital additions.

Change in Capital Assets

	Governmental	Business-Type	Total
	Activities	Activities	
	2022	2022	2022
Beginning Balance	\$ 29,818,080	\$ 4,012,602	\$ 33,830,682
Additions			
Depreciable	810,099	-	810,099
Nondepreciable	86,763	236,164	322,927
Retirements	-	-	-
Depreciation	(1,256,655)	(152,467)	(1,409,122)
Ending Balance	\$ 29,458,287	\$ 4,096,299	\$ 33,554,586

LONG-TERM OBLIGATIONS OUTSTANDING

The City of Prospect Heights' governmental activities had total long-term obligations of \$20,424,033 as of April 30, 2022. Long-term obligations is comprised of general obligation debt, special service area bonds, net pension obligations, compensated absences payable to employees, and other postemployment benefit obligations.

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 \$6,265,000. 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, 2022, the total debt applicable to this limit was \$6,805,116, well below the \$35,758,723 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 \$1,340,000. 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. *For more detail on the City's long-term debt, see Note III (E) in the Notes to the Financial Statements.*

Compensated absences: At the end of the year, compensated absences payable totaled \$342,151, which reflected a decrease of \$16,006 from the prior year.

Net pension liabilities/assets: As of April 30, 2022, the City's net pension liability for Police Pension totaled \$10,496,477, which reflected an increase of \$1,867,204 over the prior year amount. The City's IMRF net pension liability, on the other hand, decreased \$1,461,459 during FY2022 and is now considered a Net

Pension Asset as of April 30, 2022. As of the last valuation date, the Police Pension Fund had an actuarial funded ratio of 67.45%. While the City has taxing authority for the employer share of the police pension contribution, the tax revenue generated only covered 36.21% of the City's FY2022 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, 2022, the City's total OPEB liability totaled \$1,776,334. The City is not required to and currently does not advance fund this obligation. *For more detail on the City's OPEB obligation see Note IV (E) in the Notes to the Financial Statements.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected and appointed officials considered many factors when setting the fiscal-year 2023 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 2022, 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.

The COVID pandemic has impacted the world's economy for the past two years. Prospect Heights staff made corresponding adjustments based on projections considering the impacts of required restrictions implemented at the State level. Although the financial impacts of the pandemic have lessened over the last year, 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, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 29,475,061	\$ 5,176,186	\$ 34,651,247
Prepaid Items	110,772	22,343	133,115
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable	599,387	362,994	962,381
Property Taxes	1,285,939	-	1,285,939
Intergovernmental	1,231,417	-	1,231,417
Other Taxes	57,125	-	57,125
Internal Balances	432,174	(432,174)	-
Investment in Joint Venture - Airport	44,496,895	-	44,496,895
IMRF Net Pension Asset	1,367,874	89,471	1,457,345
Capital Assets			
Capital Assets not Being Depreciated	7,793,100	772,620	8,565,720
Other Capital Assets, Net of Accumulated Depreciation	21,665,187	3,323,679	24,988,866
TOTAL ASSETS	\$ 108,514,931	\$ 9,315,119	\$ 117,830,050
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to IMRF	\$ 46,018	\$ 3,063	\$ 49,081
Deferred Outflows of Resources Related to Police Pension	2,387,826	-	2,387,826
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 2,433,844	\$ 3,063	\$ 2,436,907
LIABILITIES			
Accounts Payable	\$ 803,161	\$ 36,723	\$ 839,884
Accrued Payroll	162,271	3,823	166,094
Accrued Interest	116,277	5,963	122,240
Deposits	213,021	1,800	214,821
Unearned Revenues	106,364	-	106,364
Noncurrent Liabilities			
Due Within One Year			
Bonds and Notes Payable	1,491,572	70,000	1,561,572
Compensated Absences	198,955	6,335	205,290
Due in More Than One Year			
Bonds and Notes Payable	6,438,544	145,000	6,583,544
Compensated Absences	132,637	4,224	136,861
Net Police Pension Liability	10,496,477	-	10,496,477
Total OPEB Liability	1,665,848	110,486	1,776,334
TOTAL LIABILITIES	\$ 21,825,127	\$ 384,354	\$ 22,209,481
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Future Periods	\$ 1,257,575	\$ -	\$ 1,257,575
Deferred Inflows of Resources Related to IMRF	1,791,348	119,240	1,910,588
Deferred Inflows of Resources Related to Police Pension	748,201	-	748,201
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,797,124	\$ 119,240	\$ 3,916,364
NET POSITION			
Net Investment in Capital Assets	\$ 21,528,171	\$ 3,881,299	\$ 25,409,470
Restricted for:			
Public Safety	522,408	-	522,408
Debt Service	1,047,214	-	1,047,214
Streets and Highways	4,387,702	-	4,387,702
Tourism	241,326	-	241,326
Special Service Area Improvements	1,219,975	-	1,219,975
Palatine Road Tax Increment Financing	851,574	-	851,574
Grants	994,225	-	994,225
Unrestricted/(Deficit)	54,533,929	4,933,289	59,467,218
TOTAL NET POSITION	\$ 85,326,524	\$ 8,814,588	\$ 94,141,112

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, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 1,722,870	\$ 1,904,747	\$ 1,757,066	\$ -	\$ 1,938,943	\$ -	\$ 1,938,943
Public Safety	5,137,184	587,933	139,168	-	(4,410,083)	-	(4,410,083)
Public Works	2,858,351	466,587	4,093	160,000	(2,227,671)	-	(2,227,671)
Airport (Joint Venture)	(824,780)	-	-	-	824,780	-	824,780
Interest and Fees on Long-Term Debt	208,293	-	-	-	(208,293)	-	(208,293)
	<u>\$ 9,101,918</u>	<u>\$ 2,959,267</u>	<u>\$ 1,900,327</u>	<u>\$ 160,000</u>	<u>\$ (4,082,324)</u>	<u>\$ -</u>	<u>\$ (4,082,324)</u>
Business-Type Activities							
Water	\$ 643,873	\$ 925,498	\$ -	\$ -	\$ -	\$ 281,625	\$ 281,625
Sewer	272,171	834,659	-	-	-	562,488	562,488
Parking	107,769	5,279	-	-	-	(102,490)	(102,490)
	<u>\$ 1,023,813</u>	<u>\$ 1,765,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 741,623</u>	<u>\$ 741,623</u>
Total Primary Government	<u>\$ 10,125,731</u>	<u>\$ 4,724,703</u>	<u>\$ 1,900,327</u>	<u>\$ 160,000</u>	<u>\$ (4,082,324)</u>	<u>\$ 741,623</u>	<u>\$ (3,340,701)</u>
General Revenues							
Taxes							
Property Tax, Levied for General Purposes				\$ 2,184,366	\$ -	\$ 2,184,366	
Local Sales and Use Tax				1,161,856	-	1,161,856	
State Utility Tax				810,890	-	810,890	
Hotel Occupancy Tax				433,315	-	433,315	
Other Taxes				1,280,001	-	1,280,001	
Intergovernmental							
Income Tax				2,563,987	-	2,563,987	
State Sales Tax				1,685,682	-	1,685,682	
Other Intergovernmental Taxes				1,094,560	-	1,094,560	
Net Investment Revenue				18,384	3,089	21,473	
Miscellaneous				79,143	-	79,143	
Transfers				(105,000)	105,000	-	
Total General Revenues and Transfers				<u>\$ 11,207,184</u>	<u>\$ 108,089</u>	<u>\$ 11,315,273</u>	
Change in Net Position				\$ 7,124,860	\$ 849,712	\$ 7,974,572	
Net Position - May 1, 2021				<u>78,201,664</u>	<u>7,964,876</u>	<u>86,166,540</u>	
Net Position - April 30, 2022				<u>\$ 85,326,524</u>	<u>\$ 8,814,588</u>	<u>\$ 94,141,112</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, 2022

	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Road Construction Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 21,485,581	\$ 4,151,756	\$ -	\$ 817,665	\$ 3,020,059	\$ 29,475,061
Prepaid Items	80,122	-	-	-	30,650	110,772
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Accounts Receivable	431,713	-	-	-	167,674	599,387
Property Taxes	395,286	-	-	634,034	256,619	1,285,939
Intergovernmental	1,176,868	54,549	-	-	-	1,231,417
Other Taxes	57,125	-	-	-	-	57,125
Due from Other Funds	732,053	178,556	7,003,954	-	74,745	7,989,308
TOTAL ASSETS	\$ 24,358,748	\$ 4,384,861	\$ 7,003,954	\$ 1,451,699	\$ 3,549,747	\$ 40,749,009
LIABILITIES						
Accounts Payable	\$ 701,122	\$ -	\$ 20,507	\$ -	\$ 81,532	\$ 803,161
Accrued Payroll	161,955	-	-	-	316	162,271
Deposits	213,021	-	-	-	-	213,021
Due to Other Funds	7,316,289	-	65,290	920	174,635	7,557,134
Unearned Revenue	106,364	-	-	-	-	106,364
TOTAL LIABILITIES	\$ 8,498,751	\$ -	\$ 85,797	\$ 920	\$ 256,483	\$ 8,841,951
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Future Periods	\$ 388,912	\$ -	\$ -	\$ 614,960	\$ 253,703	\$ 1,257,575
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 388,912	\$ -	\$ -	\$ 614,960	\$ 253,703	\$ 1,257,575
FUND BALANCES						
Nonspendable	\$ 668,316	\$ -	\$ -	\$ -	\$ 30,650	\$ 698,966
Restricted for:						
Public Safety	57,805	-	-	-	464,603	522,408
Debt Service	-	-	-	835,819	211,395	1,047,214
Streets and Highways	2,841	4,384,861	-	-	-	4,387,702
Tourism	-	-	-	-	241,326	241,326
Special Service Area Improvements	-	-	-	-	1,219,975	1,219,975
Palatine Road Tax Increment Financing	-	-	-	-	851,574	851,574
Grants	-	-	994,225	-	-	994,225
Committed for:						
Emergency Reserve	3,000,000	-	-	-	-	3,000,000
Solid Waste Disposal	-	-	-	-	128,097	128,097
Capital Projects	-	-	5,923,932	-	-	5,923,932
Unassigned	11,742,123	-	-	-	(108,059)	11,634,064
TOTAL FUND BALANCES	\$ 15,471,085	\$ 4,384,861	\$ 6,918,157	\$ 835,819	\$ 3,039,561	\$ 30,649,483
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 24,358,748	\$ 4,384,861	\$ 7,003,954	\$ 1,451,699	\$ 3,549,747	\$ 40,749,009

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, 2022

Total Fund Balances - Governmental Funds		\$ 30,649,483
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets, net of accumulated depreciation		29,458,287
<p>Investments in joint ventures are not financial resources and therefore are not reported in the funds.</p>		
Investment in Chicago Executive Airport		44,496,895
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds and Notes Payable	\$ (7,390,000)	
Bond Premiums, net of related amortization	(540,116)	
Accrued Interest on Long-Term Debt	(116,277)	
Compensated Absences	(331,592)	
Total OPEB Liability	(1,665,848)	
Net Pension Liability - Illinois Municipal Retirement Fund	1,367,874	
Net Pension Liability - Police Pension	<u>(10,496,477)</u>	
		(19,172,436)
<p>Deferred pension and OPEB costs/revenues in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Deferred Outflows - Illinois Municipal Retirement Fund	\$ 46,018	
Deferred Inflows - Illinois Municipal Retirement Fund	(1,791,348)	
Deferred Outflows - Police Pension	2,387,826	
Deferred Inflows - Police Pension	<u>(748,201)</u>	
		<u>(105,705)</u>
Net Position of Governmental Activities		<u><u>\$ 85,326,524</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, 2022

	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Road Construction Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local Taxes	\$ 3,694,736	\$ -	\$ -	\$ 1,226,862	\$ 948,830	\$ 5,870,428
Intergovernmental	4,400,491	1,005,152	-	-	129,511	5,535,154
Licenses and Permits	911,292	-	-	-	-	911,292
Fines, Forfeitures and Penalties	546,136	-	-	-	-	546,136
Charges for Services	1,035,252	-	-	-	466,587	1,501,839
Investment Income	13,584	3,906	-	236	658	18,384
Miscellaneous	264,804	160,000	1,523,741	-	-	1,948,545
	<u>\$ 10,866,295</u>	<u>\$ 1,169,058</u>	<u>\$ 1,523,741</u>	<u>\$ 1,227,098</u>	<u>\$ 1,545,586</u>	<u>\$ 16,331,778</u>
EXPENDITURES						
Current						
General Government	\$ 2,076,611	\$ -	\$ -	\$ 1,912	\$ 554,931	\$ 2,633,454
Public Safety	5,116,141	-	-	-	44,763	5,160,904
Public Works	1,210,618	-	-	-	22,889	1,233,507
Capital Outlay	75,847	194,986	538,247	-	59,691	868,771
Debt Service						
Principal	165,000	-	-	990,000	170,000	1,325,000
Interest	22,034	-	-	261,117	48,570	331,721
	<u>\$ 8,666,251</u>	<u>\$ 194,986</u>	<u>\$ 538,247</u>	<u>\$ 1,253,029</u>	<u>\$ 900,844</u>	<u>\$ 11,553,357</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 2,200,044</u>	<u>\$ 974,072</u>	<u>\$ 985,494</u>	<u>\$ (25,931)</u>	<u>\$ 644,742</u>	<u>\$ 4,778,421</u>
OTHER FINANCING SOURCES/(USES)						
Transfers In	\$ 3,400	\$ -	\$ 209,922	\$ -	\$ -	\$ 213,322
Transfers Out	(105,000)	(124,922)	-	-	(88,400)	(318,322)
	<u>\$ (101,600)</u>	<u>\$ (124,922)</u>	<u>\$ 209,922</u>	<u>\$ -</u>	<u>\$ (88,400)</u>	<u>\$ (105,000)</u>
NET CHANGE IN FUND BALANCES	\$ 2,098,444	\$ 849,150	\$ 1,195,416	\$ (25,931)	\$ 556,342	\$ 4,673,421
FUND BALANCES - MAY 1, 2021	<u>13,372,641</u>	<u>3,535,711</u>	<u>5,722,741</u>	<u>861,750</u>	<u>2,483,219</u>	<u>25,976,062</u>
FUND BALANCES - APRIL 30, 2022	<u>\$ 15,471,085</u>	<u>\$ 4,384,861</u>	<u>\$ 6,918,157</u>	<u>\$ 835,819</u>	<u>\$ 3,039,561</u>	<u>\$ 30,649,483</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, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 4,673,421

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	\$ (1,256,655)	
Capital Outlays	<u>896,862</u>	(359,793)

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	\$ 166,530	
Police Pension Fund Contributions	<u>1,148,839</u>	1,315,369

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	\$ 6,856	
Pension Expense - Police Pension	(1,092,129)	
Bond Premium - Amortization	116,572	
Pension Expense - IMRF	245,130	
OPEB Expense - IMRF/Police Pension	61,806	
Compensated Absences	<u>7,848</u>	(653,917)

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		1,325,000
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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>824,780</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 7,124,860</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, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 2,910,790	\$ 2,199,034	\$ 66,362	\$ 5,176,186
Prepaid Expenses	6,759	6,134	9,450	22,343
Accounts Receivable (Net of Allowance of \$73,928 for Estimated Uncollectible Amounts)	150,993	212,001	-	362,994
Due from Other Funds	30,394	-	-	30,394
Total Current Assets	<u>\$ 3,098,936</u>	<u>\$ 2,417,169</u>	<u>\$ 75,812</u>	<u>\$ 5,591,917</u>
Noncurrent Assets				
Capital Assets not Being Depreciated	\$ 102,195	\$ 670,425	\$ -	\$ 772,620
Capital Assets Net of Accumulated Depreciation	2,841,635	-	482,044	3,323,679
Net Pension Asset	64,485	24,986	-	89,471
Total Noncurrent Assets	<u>\$ 3,008,315</u>	<u>\$ 695,411</u>	<u>\$ 482,044</u>	<u>\$ 4,185,770</u>
TOTAL ASSETS	<u>\$ 6,107,251</u>	<u>\$ 3,112,580</u>	<u>\$ 557,856</u>	<u>\$ 9,777,687</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to IMRF	\$ 2,589	\$ 474	\$ -	\$ 3,063
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 2,589</u>	<u>\$ 474</u>	<u>\$ -</u>	<u>\$ 3,063</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 25,966	\$ 10,435	\$ 322	\$ 36,723
Accrued Payroll	3,252	571	-	3,823
Accrued Interest	5,963	-	-	5,963
Deposits	1,800	-	-	1,800
Due to Other Funds	-	6,744	455,824	462,568
General Obligation Debt Payable - Current	70,000	-	-	70,000
Compensated Absences - Current	4,453	1,882	-	6,335
Total Current Liabilities	<u>\$ 111,434</u>	<u>\$ 19,632</u>	<u>\$ 456,146</u>	<u>\$ 587,212</u>
Noncurrent Liabilities				
General Obligation Debt Payable (net of current portion shown above)	\$ 145,000	\$ -	\$ -	\$ 145,000
Compensated Absences	2,969	1,255	-	4,224
Total OPEB Liability	94,106	16,380	-	110,486
Total Noncurrent Liabilities	<u>\$ 242,075</u>	<u>\$ 17,635</u>	<u>\$ -</u>	<u>\$ 259,710</u>
TOTAL LIABILITIES	<u>\$ 353,509</u>	<u>\$ 37,267</u>	<u>\$ 456,146</u>	<u>\$ 846,922</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related IMRF	\$ 100,776	\$ 18,464	\$ -	\$ 119,240
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 100,776</u>	<u>\$ 18,464</u>	<u>\$ -</u>	<u>\$ 119,240</u>
NET POSITION				
Net Investment in Capital Assets	\$ 2,728,830	\$ 670,425	\$ 482,044	\$ 3,881,299
Unrestricted/(Deficit)	2,926,725	2,386,898	(380,334)	4,933,289
TOTAL NET POSITION	<u>\$ 5,655,555</u>	<u>\$ 3,057,323</u>	<u>\$ 101,710</u>	<u>\$ 8,814,588</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, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			Totals
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	
OPERATING REVENUES				
Charges for Services	\$ 925,498	\$ 834,659	\$ 5,279	\$ 1,765,436
Total Operating Revenues	<u>\$ 925,498</u>	<u>\$ 834,659</u>	<u>\$ 5,279</u>	<u>\$ 1,765,436</u>
OPERATING EXPENSES				
Operations and Maintenance	\$ 508,947	\$ 272,171	\$ 75,633	\$ 856,751
Depreciation Expense	120,331	-	32,136	152,467
Total Operating Expenses	<u>\$ 629,278</u>	<u>\$ 272,171</u>	<u>\$ 107,769</u>	<u>\$ 1,009,218</u>
OPERATING INCOME/(LOSS)	<u>\$ 296,220</u>	<u>\$ 562,488</u>	<u>\$ (102,490)</u>	<u>\$ 756,218</u>
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 1,809	\$ 1,280	\$ -	\$ 3,089
Interest Expense	(14,595)	-	-	(14,595)
Total Nonoperating Revenues (Expenses)	<u>\$ (12,786)</u>	<u>\$ 1,280</u>	<u>\$ -</u>	<u>\$ (11,506)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 283,434</u>	<u>\$ 563,768</u>	<u>\$ (102,490)</u>	<u>\$ 744,712</u>
CAPITAL CONTRIBUTIONS	-	-	-	-
TRANSFERS (TO)/FROM OTHER FUNDS	-	-	105,000	105,000
CHANGE IN NET POSITION	<u>\$ 283,434</u>	<u>\$ 563,768</u>	<u>\$ 2,510</u>	<u>\$ 849,712</u>
NET POSITION - MAY 1, 2021	<u>5,372,121</u>	<u>2,493,555</u>	<u>99,200</u>	<u>7,964,876</u>
NET POSITION - APRIL 30, 2022	<u><u>\$ 5,655,555</u></u>	<u><u>\$ 3,057,323</u></u>	<u><u>\$ 101,710</u></u>	<u><u>\$ 8,814,588</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	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 871,633	\$ 832,907	\$ 5,279	\$ 1,709,819
Payments to Suppliers for Goods and Services	(385,384)	(164,903)	(29,864)	(580,151)
Payments to Employees for Services	(127,382)	(91,421)	(45,000)	(263,803)
Payments to Other Funds for Services	3,569	-	-	3,569
Internal Activity - Payments (to)/from Other Funds	(60,788)	6,744	(59,617)	(113,661)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 301,648</u>	<u>\$ 583,327</u>	<u>\$ (129,202)</u>	<u>\$ 755,773</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers (to)/from Other Funds	\$ -	\$ -	\$ 105,000	\$ 105,000
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,000</u>	<u>\$ 105,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest Paid on Capital Debt, Net of Rebate	\$ (13,749)	\$ -	\$ -	\$ (13,749)
Principal Paid on Capital Debt	(65,000)	-	-	(65,000)
Purchase of Capital Assets	-	(236,164)	-	(236,164)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (78,749)</u>	<u>\$ (236,164)</u>	<u>\$ -</u>	<u>\$ (314,913)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	\$ 1,809	\$ 1,280	\$ -	\$ 3,089
Net Cash Provided/(Used) by Investing Activities	<u>\$ 1,809</u>	<u>\$ 1,280</u>	<u>\$ -</u>	<u>\$ 3,089</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 224,708</u>	<u>\$ 348,443</u>	<u>\$ (24,202)</u>	<u>\$ 548,949</u>
CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2021 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)	<u>2,686,082</u>	<u>1,850,591</u>	<u>90,564</u>	<u>4,627,237</u>
CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2022 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)	<u>\$ 2,910,790</u>	<u>\$ 2,199,034</u>	<u>\$ 66,362</u>	<u>\$ 5,176,186</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES				
Operating Income/(Loss)	\$ 296,220	\$ 562,488	\$ (102,490)	\$ 756,218
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation Expense	120,331	-	32,136	152,467
Change in assets, liabilities and deferred amounts:				
Receivables, net	(51,866)	(1,752)	-	(53,618)
Due to / from Other Funds	(57,219)	6,744	(59,617)	(110,092)
Prepaid Expenses	13,187	26,435	4,942	44,564
Accounts Payable and Other Payables	7,616	(5,677)	(4,173)	(2,234)
Pension Liabilities	(76,883)	(14,511)	-	(91,394)
OPEB Liabilities	(3,477)	(638)	-	(4,115)
Deferred Pension Expenses/Revenues	53,739	10,238	-	63,977
Net Cash Provided/(Used) by Operating Activities	<u>\$ 301,648</u>	<u>\$ 583,327</u>	<u>\$ (129,202)</u>	<u>\$ 755,773</u>

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, 2022

	<u>POLICE PENSION TRUST FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,124,082
Investments	
U.S. Treasury Obligations	3,724,168
U.S. Agency Obligations	1,194,578
Corporate Bonds	976,778
Mutual Funds	13,063,958
Receivables	
Accrued Interest	14,999
Prepaid Expenses	<u>5,817</u>
TOTAL ASSETS	<u>\$ 21,104,380</u>
LIABILITIES	
Accounts Payable	<u>\$ 4,240</u>
TOTAL LIABILITIES	<u>\$ 4,240</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 21,100,140</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, 2022

	<u>POLICE PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Employer	\$ 1,148,839
Plan Members	218,155
Total Contributions	<u>\$ 1,366,994</u>
Investment Income	
Interest and Dividends	\$ 684,502
Net Increase/(Decrease) in Fair Value of Investments	<u>(1,781,547)</u>
	\$ (1,097,045)
Less: Investment Management Fees	<u>49,323</u>
Net Investment Income	<u>\$ (1,146,368)</u>
 TOTAL ADDITIONS	 <u>\$ 220,626</u>
 DEDUCTIONS	
Benefits	\$ 1,305,522
Administrative Expenses	32,337
Refunds/Transfer of Contributions	<u>474</u>
TOTAL DEDUCTIONS	<u>\$ 1,338,333</u>
 NET INCREASE/(DECREASE)	 \$ (1,117,707)
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - MAY 1, 2021	 <u>22,217,847</u>
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - APRIL 30, 2022	 <u>\$ 21,100,140</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, 2022

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

NOTES TO FINANCIAL STATEMENTS (Continued)

City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many 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.

Motor Fuel Tax Fund – used to account for motor fuel tax revenues and other state road grants along with the related expenditures.

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).

DEA Seizure	Special Service Area #2
Tourism	Special Service Area #3
Solid Waste Disposal (SWANCC)	Special Service Area #4
Palatine Road TIF	Special Service Area #5
Special Service Area #1	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 #6 Debt

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:

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.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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

The City has adopted an investment policy. This policy contains 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 to meet all operating requirements as they come due.

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 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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.

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.

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 2022 attach as an enforceable lien on January 1, 2022 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 2022 tax levy, which attached as an enforceable lien on the property as of January 1, 2022, has not been recorded as a receivable as of April 30, 2022 as the tax has not yet been levied by the City and will not be levied until December 2022, and therefore the levy is not measurable at April 30, 2022.

Tax bills for the levy year 1899 are prepared by the county and issued on or about February 1, 2022 and July 1, 2022, and are payable in two installments, on or about March 1, 2022 and August 1, 2022, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 1899 property tax levy is recognized as a receivable and deferred inflows in fiscal 2022, 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, 2022, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 1899 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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. 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 proprietary 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 assets 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, 2022 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 assets 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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 net position 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2022.

B. EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2022, the following funds had expenditures that exceeded the budget.

Fund	Budget	Actual	Excess of Actual Over Budget
Special Service Area #5	\$ 12,700	\$ 17,200	\$ 4,500
Police Pension Trust Fund	1,273,300	1,387,656	114,356

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. DEFICIT BALANCES

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

As of April 30, 2022, the following individual fund held a deficit fund balance:

Funds	Amount	Reason
Special Service Area #1	\$ (108,059)	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 lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the City's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rate applicable to the 1899 and 1899 tax levies was 1.4% and 2.3%, respectively.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balance	Potential Associated Risks
Deposits	\$ 8,999,187	\$ 9,319,434	
Illinois Funds Investment Pool	14,987,518	14,987,518	Credit risk
PMA Investment Pool	4,535,248	4,535,248	Credit, concentration of credit risk
IIIT	1,005,983	1,005,983	Credit risk
Other money market accounts	7,245,793	6,910,316	Credit, interest rate, and concentration of credit risk
US government securities	4,918,746	4,918,746	Interest rate
Corporate bonds	976,778	976,778	Credit, interest rate, and concentration of credit risk
Mutual funds - other than bond funds	13,063,958	13,063,958	N/A
Petty cash	1,600	-	N/A
Total Deposits and Investments	<u>\$ 55,734,811</u>	<u>\$ 55,717,981</u>	

Reconciliation to financial statements

Per Statement of Net Position	
Cash and investments	\$ 34,651,247
Per Statement of Net Position - Fiduciary Funds	
Cash and cash equivalents	2,124,082
Investments	18,959,482
Total Deposits and Investments	<u>\$ 55,734,811</u>

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.

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.

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, 2022, 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, 2022, the City and police pension had the following investments, maturities, and fair value measurements:

Police Pension

Types of investments	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using	
				Level 1	Level 2
Debt Securities:					
U.S. Treasury Securities	AA+	less than 1 year	\$ 349,672	\$ 349,672	\$ -
U.S. Treasury Securities	AA+	1 to 5 years	932,219	932,219	-
U.S. Treasury Securities	AA+	5 to 10 years	2,442,277	2,442,277	-
Agency Securities	AA+	less than 1 year	456	456	-
Agency Securities	AA+	1 to 5 years	465,762	-	465,762
Agency Securities	AA+	5 to 10 years	728,360	-	728,360
Corporate Bonds	A	less than 1 year	400,228	-	400,228
Corporate Bonds	A-, A, AA+	1 to 5 years	576,550	-	576,550
Total Debt Securities			<u>\$ 5,895,524</u>	<u>\$ 3,724,624</u>	<u>\$ 2,170,900</u>
Equity Securities:					
Mutual Funds	Not Rated	less than 1 year	\$ 13,063,958	\$ 13,063,958	\$ -
Total Equity Securities			<u>\$ 13,063,958</u>	<u>\$ 13,063,958</u>	<u>\$ -</u>
Total Investments			<u>\$ 18,959,482</u>	<u>\$ 16,788,582</u>	<u>\$ 2,170,900</u>

City

Types of investments	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		
				Level 1	Level 2	N/A
Debt Securities:						
State Investment Pools	AAAm	less than 1 year	\$ 20,528,748	\$ -		\$ 20,528,748
Total Debt Securities			<u>\$ 20,528,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,528,748</u>
Total Investments			<u>\$ 20,528,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,528,748</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

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; 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; Level 3 inputs are significant unobservable inputs.

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.

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered but have regulatory oversight through the State of Illinois.

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, 2022 was as follows:

	Balance May 1, 2021	Increases	Decreases	Balance April 30, 2022
Governmental Activities				
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	86,763	18,440	86,763
Total Capital Assets not being depreciated	<u>\$ 7,724,777</u>	<u>\$ 86,763</u>	<u>\$ 18,440</u>	<u>\$ 7,793,100</u>
Other Capital Assets				
Building and Improvements	\$ 7,946,252	\$ -	\$ -	\$ 7,946,252
Infrastructure	43,461,435	727,717	-	44,189,152
Machinery and Equipment	657,511	41,183	-	698,694
Office Furniture and Equipment	752,218	14,204	-	766,422
Vehicles	1,930,770	45,435	-	1,976,205
Total Other Capital Assets at Historical Cost	<u>\$ 54,748,186</u>	<u>\$ 828,539</u>	<u>\$ -</u>	<u>\$ 55,576,725</u>
Total Capital Assets	<u>\$ 62,472,963</u>	<u>\$ 915,302</u>	<u>\$ 18,440</u>	<u>\$ 63,369,825</u>
Less Accumulated Depreciation for:				
Building and Improvements	\$ 2,740,853	\$ 191,324	\$ -	\$ 2,932,177
Infrastructure	27,287,493	872,650	-	28,160,143
Machinery and Equipment	492,084	53,936	-	546,020
Office Furniture and Equipment	726,758	12,887	-	739,645
Vehicles	1,407,695	125,858	-	1,533,553
Total Accumulated Depreciation	<u>\$ 32,654,883</u>	<u>\$ 1,256,655</u>	<u>\$ -</u>	<u>\$ 33,911,538</u>
Other Capital Assets, Net	<u>\$ 22,093,303</u>	<u>\$ (428,116)</u>	<u>\$ -</u>	<u>\$ 21,665,187</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,818,080</u>	<u>\$ (341,353)</u>	<u>\$ 18,440</u>	<u>\$ 29,458,287</u>

Depreciation expense was charged to functions as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Governmental Activities

General Government	\$ 76,224
Public Safety	130,616
Public Works	1,049,815
Total Governmental Activities Depreciation Expense	<u>\$ 1,256,655</u>

	Balance May 1, 2021	Increases	Decreases	Balance April 30, 2022
Business-Type Activities				
Capital Assets not being depreciated				
Land	\$ 27,367	\$ -	\$ -	\$ 27,367
Easements	74,828	-	-	74,828
Construction in Progress	434,261	236,164	-	670,425
Total Capital Assets not being depreciated	<u>\$ 536,456</u>	<u>\$ 236,164</u>	<u>\$ -</u>	<u>\$ 772,620</u>
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
Total Other Capital Assets at Historical Cost	<u>\$ 6,972,842</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,972,842</u>
Total Capital Assets	<u>\$ 7,509,298</u>	<u>\$ 236,164</u>	<u>\$ -</u>	<u>\$ 7,745,462</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,195,704	\$ 46,254	\$ -	\$ 1,241,958
Water Mains	1,853,854	88,345	-	1,942,199
Water Reservoir	170,200	4,600	-	174,800
Machinery and Equipment	50,238	2,163	-	52,401
Office Furniture and Equipment	158,381	-	-	158,381
Vehicles	68,319	11,105	-	79,424
Total Accumulated Depreciation	<u>\$ 3,496,696</u>	<u>\$ 152,467</u>	<u>\$ -</u>	<u>\$ 3,649,163</u>
Other Capital Assets, Net	<u>\$ 3,476,146</u>	<u>\$ (152,467)</u>	<u>\$ -</u>	<u>\$ 3,323,679</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,012,602</u>	<u>\$ 83,697</u>	<u>\$ -</u>	<u>\$ 4,096,299</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities

Water	\$ 120,331
Parking	32,136
Total Business-Type Activities Depreciation Expense	<u>\$ 152,467</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
Motor Fuel Tax Fund	General Fund	\$ 178,556
Capital Projects Fund	General Fund	6,982,704
Capital Projects Fund	Nonmajor Governmental Funds	21,250
Nonmajor Governmental Funds	General Fund	74,745
General Fund	Nonmajor Governmental Funds	153,385
General Fund	Capital Projects Fund	65,290
General Fund	Road Construction Debt Fund	920
General Fund	Nonmajor Enterprise Funds	455,824
General Fund	Sewer Fund	6,744
Water Fund	General Fund	30,394

NOTES TO FINANCIAL STATEMENTS (Continued)

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 balances between the General and the Nonmajor Enterprise Funds and the Capital Projects Fund and the General 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	\$ 3,400
Motor Fuel Tax Fund	Capital Projects Fund	124,922
Nonmajor Governmental Funds	Capital Projects Fund	85,000
General Fund	Nonmajor Enterprise Fund	105,000
Total - Fund Financial Statements		\$ 318,322
Less: Fund eliminations		(213,322)
Total Interfund Advances - Government-Wide Statement of Activities		<u>\$ 105,000</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 move monies between the Tourism and General Funds, help fund capital projects in the Capital Project Fund, and help fund FY22 operations in the Parking Fund.

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2021	Additions	Retirements	Balance April 30, 2022	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 7,205,000	\$ -	\$ 1,155,000	\$ 6,050,000	\$ 1,200,000
Special Service Area Bonds	1,510,000	-	170,000	1,340,000	175,000
Unamortized Bond Premium	656,688	-	116,572	540,116	116,572
Total Bonds and Notes Payable	<u>\$ 9,371,688</u>	<u>\$ -</u>	<u>\$ 1,441,572</u>	<u>\$ 7,930,116</u>	<u>\$ 1,491,572</u>
Other Long-Term Liabilities					
Compensated Absences	\$ 339,440	\$ 195,816	\$ 203,664	\$ 331,592	\$ 198,955
Total Other Long-Term Liabilities	<u>\$ 339,440</u>	<u>\$ 195,816</u>	<u>\$ 203,664</u>	<u>\$ 331,592</u>	<u>\$ 198,955</u>
Governmental Activities Long-Term Obligations	<u>\$ 9,711,128</u>	<u>\$ 195,816</u>	<u>\$ 1,645,236</u>	<u>\$ 8,261,708</u>	<u>\$ 1,690,527</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance April 30, 2021	Additions	Retirements	Balance April 30, 2022	Amounts Due Within One Year
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 280,000	\$ -	\$ 65,000	\$ 215,000	\$ 70,000
Total Bonds and Notes Payable	\$ 280,000	\$ -	\$ 65,000	\$ 215,000	\$ 70,000
Other Long-Term Liabilities					
Compensated Absences	\$ 18,717	\$ 3,072	\$ 11,230	\$ 10,559	\$ 6,335
Total Other Long-Term Liabilities	\$ 18,717	\$ 3,072	\$ 11,230	\$ 10,559	\$ 6,335
Business-Type Activities					
Long-Term Obligations	\$ 298,717	\$ 3,072	\$ 76,230	\$ 225,559	\$ 76,335

The obligations of the above long-term liabilities will be repaid from the following funds:

Obligation	Fund
Special Assessment Bonds	Special Service Area #6 Debt Fund
General Obligation Bonds	General Fund, Road Construction Debt Fund
Compensated Absences	General Fund, Water Fund, Sewer Fund

The City is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the City. As of April 30, 2022, the statutory limit for the City was as follows:

2021 EAV	\$ 454,191,099
	X 8.625%
Debt Margin	\$ 39,173,982
Current Debt	6,805,116
Remaining Debt Margin	\$ 32,368,866

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 fees of those funds or, if the revenues are not sufficient, by future tax levies. General obligation debt at April 30, 2022 consists of the following:

	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities					
General Obligation Debt					
2008 General Obligation Debt	3/25/2008	12/15/2023	4.327%	\$ 2,045,000	\$ 350,000
2013 General Obligation Debt	4/16/2013	12/15/2026	2.00% - 2.35%	5,000,000	2,105,000
2020 General Obligation Debt	12/17/2020	12/15/2026	5.00%	4,195,000	3,595,000
Total Governmental Activities - General Obligation Debt				\$ 11,240,000	\$ 6,050,000
Business-Type Activities					
General Obligation Debt					
2010 General Obligation Debt	7/1/2010	12/15/2024	4.00% - 5.20%	\$ 800,000	\$ 215,000
Total Business-Type Activities - General Obligation Debt				\$ 800,000	\$ 215,000

Debt service requirements maturity are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending April 30	Governmental Activities - General Obligation Debt			Business-Type Activities - General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
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	1,255,000	50,955	1,305,955	-	-	-
	<u>\$ 6,050,000</u>	<u>\$ 725,019</u>	<u>\$ 6,775,019</u>	<u>\$ 215,000</u>	<u>\$ 22,060</u>	<u>\$ 237,060</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, 2022 consist of the following:

Governmental Activities	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Special Service Area Bonds					
Special Service Area Refunding Bonds	9/27/2018	12/15/2028	2.00% - 3.50%	\$ 1,820,000	\$ 1,340,000
				<u>\$ 1,820,000</u>	<u>\$ 1,340,000</u>

At April 30, 2022 the annual debt service requirements to service special service area bonds are:

Governmental Activities - Special Service Area Bonds			
Year Ending April 30	Principal	Interest	Total
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
2028-2032	415,000	21,773	436,773
	<u>\$ 1,340,000</u>	<u>\$ 186,018</u>	<u>\$ 1,526,018</u>

F. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2022 include the following:

Nonspendable

Major Funds

General Fund

Advance to other funds	\$ 588,194
Prepaid Items	80,122
Subtotal General Fund	<u>\$ 668,316</u>

Nonmajor Funds

SWANCC Fund

Prepaid Items	\$ 29,788
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Special Service Area #5

Prepaid Items	431
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Special Service Area #8

Prepaid Items	431
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Subtotal Nonmajor Funds	<u>\$ 30,650</u>
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Total	<u>\$ 698,966</u>
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NOTES TO FINANCIAL STATEMENTS (Continued)

Restricted

Major Funds		
General Fund		
Public Safety	\$	57,805
Streets and Highways		2,841
Subtotal General	<u>\$</u>	<u>60,646</u>
Motor Fuel Tax Fund		
Streets and Highways	\$	4,384,861
Capital Projects Fund		
Grants	<u>\$</u>	<u>994,225</u>
Road Construction Debt Fund		
Debt Service	<u>\$</u>	<u>835,819</u>
Nonmajor Funds		
Special Service Area Improvements	\$	1,219,975
Tourism		241,326
Palatine Road Tax Increment Financing		851,574
Public Safety		464,603
Debt Service		211,395
Subtotal Nonmajor	<u>\$</u>	<u>2,988,873</u>
Total	<u>\$</u>	<u>9,264,424</u>

Committed

Major Funds		
General Fund		
Revenue Stabilization	\$	3,000,000
Capital Projects Fund		
Capital Projects		5,923,932
Nonmajor Fund		
Solid Waste Disposal		128,097
Total	<u>\$</u>	<u>9,052,029</u>

Unassigned

Major Funds		
General Fund	\$	11,742,123
Nonmajor Funds		
Special Service Area #1		(108,059)
Total	<u>\$</u>	<u>11,634,064</u>

G. PROPERTY TAXES

A summary of the assessed valuation, rates, and extensions for the years 2021, 2020 and 2019 are as follows:

Tax Year	2021		2020		2019	
	\$454,191,099*		\$454,191,099		\$435,030,143	
Assessed Valuation	Rates	Extensions	Rates	Extensions	Rates	Extensions
Bonds and Interest	-	\$ 1,317,207	0.2892	\$ 1,313,673	0.3160	\$ 1,374,828
Police Pension	-	573,453	0.0906	411,497	0.0938	373,255
Revenue Recapture	-	36,601	-	-	-	-
Total Taxes Extended	-	<u>\$ 1,927,261</u>	<u>0.3798</u>	<u>\$ 1,725,170</u>	<u>0.4098</u>	<u>\$ 1,748,083</u>
Special Service Area #5	-	<u>\$ 29,355</u>	-	<u>\$ 28,119</u>	-	<u>\$ 26,523</u>
Special Service Area #6	-	<u>\$ 229,840</u>	-	<u>\$ 229,499</u>	-	<u>\$ 223,115</u>
Special Service Area #8	-	<u>\$ 150,689</u>	-	<u>\$ 144,200</u>	-	<u>\$ 136,003</u>
TIF - Palatine Road	-	<u>\$ 133,000</u>	-	<u>\$ 100,000</u>	-	<u>\$ 120,903</u>
TIF - Milwaukee/Palatine Road	-	<u>\$ -</u>	-	<u>\$ 173</u>	-	<u>\$ 1,435,924</u>

*At the time of the report, Cook County had not yet released the 2021 Assessed Valuation and rates. 2021 Cook County Extension amounts were based on the Tax Year 2021 Levy Edit Reports.

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. For the year ended April 30, 2022, the City recognized combined pension expense from these to pension plans of \$830,682.

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 City'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 Annual Comprehensive 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.

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. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 1899, 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
Total	<u>96</u>

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 1899 and 2022 was 13.82% and 11.32%, respectively. For the fiscal year ended April 30, 2022, the City contributed \$187,007 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, 1899, and a measurement date of December 31, 2021, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 12,756,157
IMRF Fiduciary Net Position	14,213,502
City’s Net Pension Liability (Asset)	(1,457,345)
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	111.42%

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, 1899 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.25%
Salary Increases	2.85% - 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value of Assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study for the period 2017-2019.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 1899:

Asset Class	Target Allocation	Projected Return
Equities	39%	1.90%
International Equities	15%	3.15%
Fixed Income	25%	-0.60%
Real Estate	10%	3.30%
Alternatives	10%	
Private Equity		5.50%
Hedge Funds		N/A
Commodities		1.70%
Cash Equivalents	1%	-0.90%
	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 1.84%; 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.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balances at December 31, 2020	\$ 12,887,888	\$ 12,883,774	\$ 4,114
Changes for the year:			
Service Cost	\$ 143,784	\$ -	\$ 143,784
Interest on the Total Pension Liability	912,984	-	912,984
Differences Between Expected and Actual Experience of the Total Pension Liability	(454,710)	-	(454,710)
Contributions - Employer	-	199,220	(199,220)
Contributions - Employee	-	64,869	(64,869)
Net Investment Income	-	2,164,429	(2,164,429)
Benefit Payments, including Refunds of Employee Contributions	(733,789)	(733,789)	-
Other (Net Transfer)	-	(365,001)	365,001
Net Changes	\$ (131,731)	\$ 1,329,728	\$ (1,461,459)
Balances at December 31, 2021	\$ 12,756,157	\$ 14,213,502	\$ (1,457,345)

NOTES TO FINANCIAL STATEMENTS (Continued)

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)	\$ (113,783)	\$ (1,457,345)	\$ (2,527,531)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2022, the City recognized pension expense/(income) of (\$261,447). At April 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 217,956	\$ (217,956)
Net difference between projected and actual earnings on pension plan investments	-	1,692,632	(1,692,632)
Total deferred amounts to be recognized in pension expenses in future periods	\$ -	\$ 1,910,588	\$ (1,910,588)
Pension contributions made subsequent to the measurement date	49,081	-	49,081
Total deferred amounts related to pensions	<u>\$ 49,081</u>	<u>\$ 1,910,588</u>	<u>\$ (1,861,507)</u>

\$49,801 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, 2023. 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
2022	\$ (591,467)
2023	(649,779)
2024	(417,221)
2025	(252,121)
2026	-
Thereafter	-
Total	<u>\$ (1,910,588)</u>

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, 2022, the date of the latest actuarial evaluation, Plan participation consisted of:

NOTES TO FINANCIAL STATEMENTS (Continued)

Retirees and beneficiaries receiving benefits	18
Terminated plan members entitled to but not yet receiving benefits	3
Active plan members	<u>21</u>
Total	<u><u>42</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.

Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or ½ the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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, 2022 the City's contribution was 53.14% of covered payroll.

Investment Policy. The pension fund 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 Plan's investment policy in accordance with ILCS establishes the following target allocation across all asset classes:

Shortly after year-end, all investments were transferred into the Illinois Police Officers' Pension Investment Fund (IPOPPIF) due to the pension consolidation act - Public Act (P.A.) 101-0610. Due to this, the following long-term expected rates below are representative expectations as disclosed in the IPOPPIF actuarial experience study dated March 4, 2022.

NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target
US Large	6.65%	2.50%	4.15%	23.00%
US Small	7.04%	2.50%	4.54%	5.00%
International Developed	7.14%	2.50%	4.64%	18.00%
International Developed Small	2.25%	2.50%	-0.25%	5.00%
Emerging Markets	7.81%	2.50%	5.31%	7.00%
Private Equity (Direct)	9.65%	2.50%	7.15%	7.00%
Bank Loans	4.98%	2.50%	2.48%	3.00%
High Yield Corp. Credit	4.98%	2.50%	2.48%	3.00%
Emerging Market Debt	5.32%	2.50%	2.82%	3.00%
Private Credit	6.87%	2.50%	4.37%	5.00%
US TIPS	2.38%	2.50%	-0.12%	3.00%
Real Estate/Infrastructure	6.50%	2.50%	4.00%	8.00%
Cash	2.23%	2.50%	-0.27%	1.00%
Short-Term Gov't/Credit	3.23%	2.50%	0.73%	3.00%
US Treasury	1.90%	2.50%	-0.60%	3.00%
Core Plus Fixed Income	3.23%	2.50%	0.73%	3.00%
				100.00%

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.

Investment Rate of Return. 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.

Money-Weighted Rate of Return. For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was (5.31%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability. The components of the net pension liability of the Plan as of April 30, 2022, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 31,596,613
Plan Fiduciary Net Position	21,100,136
City's Net Pension Liability	10,496,477
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.78%

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, 2021 using the following actuarial methods and assumptions:

Actuarial Valuation Date	May 1, 2021
Actuarial Cost Method	Entry Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	4.00% - 9.51%
Investment Rate of Return	6.75%
Asset Valuation Method	5-Year Smoothed Fair Value

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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, 2021	\$ 30,847,116	\$ 22,217,843	\$ 8,629,273
Changes for the year:			
Service Cost	\$ 509,374	\$ -	\$ 509,374
Interest on the Total Pension Liability	1,938,539	-	1,938,539
Differences Between Expected and Actual Experience of the Total Pension Liability	(392,420)	-	(392,420)
Contributions - Employer	-	1,148,839	(1,148,839)
Contributions - Employee	-	213,355	(213,355)
Contributions - Other	-	4,800	(4,800)
Net Investment Income	-	(1,146,368)	1,146,368
Benefit Payments, including Refunds of Employee Contributions	(1,305,996)	(1,305,996)	-
Administrative Expense	-	(32,337)	32,337
Net Changes	\$ 749,497	\$ (1,117,707)	\$ 1,867,204
Balances at April 30, 2022	\$ 31,596,613	\$ 21,100,136	\$ 10,496,477

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:

NOTES TO FINANCIAL STATEMENTS (Continued)

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 15,280,714	\$ 10,496,477	\$ 6,633,823

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2022, the City recognized pension expense of \$1,092,129. At April 30, 2022, the City reported net deferred outflows/(inflows) of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 918,618	\$ 609,630	\$ 308,988
Assumption changes	1,152,408	138,571	1,013,837
Net difference between projected and actual earnings on pension investments	316,800	-	316,800
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 2,387,826</u>	<u>\$ 748,201</u>	<u>\$ 1,639,625</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
2023	\$ 272,348
2024	280,169
2025	26,841
2026	722,725
2027	155,722
Thereafter	181,820
	<u>\$ 1,639,625</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 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, 2022, 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 \$428,480 for the year ended April 30, 2022. 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The member municipalities have entered into agreements with 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, 2022:

Assets	
Current Assets	\$ 9,783,218
Capital Assets	86,674,782
Total Assets	<u>\$ 96,458,000</u>
Liabilities	
Current Liabilities	\$ 1,406,982
Long-Term Liabilities	6,057,229
Total Liabilities	<u>\$ 7,464,211</u>
Net Position	<u>\$ 88,993,789</u>

Summary of changes in net position for the year ended April 30, 2022:

Total Revenues	\$ 6,464,334
Total Expenses	<u>6,130,141</u>
Net income/(loss) before capital contributions	\$ 334,193
Capital contributions	<u>1,315,366</u>
Change in net position	\$ 1,649,559
Net Position, beginning of year	<u>87,344,230</u>
Net position, end of year	<u><u>\$ 88,993,789</u></u>

Complete financial statements are available from the Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois 60090. At April 30, 2022, the City’s proportionate shares of equity and net loss were \$44,496,895 and \$824,780, respectively. The City made no payments to the Airport for the year ended April 30, 2022, however, the City did receive revenue sharing payments from the Airport in the amount of \$46,952.

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 City’s active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City 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 City. Employees are not required to contribute to the plan.

Membership. Membership in the Plan consisted of the following at May 1, 2022, the date of the latest actuarial valuation:

Active employees	36
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	<u>6</u>
Total	<u><u>42</u></u>

Total OPEB Liability. The City’s total OPEB liability was measured as of April 30, 2022, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2022.

Actuarial Assumptions. The total OPEB liability in the May 1, 2022 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	3.21%
Inflation	2.25%
Salary Rate Increase	3.00%
Health Care Trend	
	Initial Trend Rate 7.00% - 7.30%
	Ultimate Trend Rate 5.00%
	FY the Ultimate is Reached 2032
Mortality	<p><i>Active Employees IMRF</i> - PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females</p> <p><i>Active Employees Police</i> - 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</p> <p><i>Retirees IMRF</i> - PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females</p>
Mortality (Continued)	<p><i>Retirees Police</i> - 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</p>
Election at Retirement	30% of IMRF and Police employees are assumed to elect coverage at retirement
Marital Status	50% of employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

The actuarial assumptions used in the May 1, 2022 valuation were based on the results of an actuarial experience study for the period dated May 1, 2021 through April 30, 2022. Assumption changes reflect a change in the discount rate of 0.94% from 2.27% for the beginning of the year values and 3.21% 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 3.21% is used, which is the Bond Buyer 20-Bond GO Index as of April 30, 2022.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at May 31, 2021	\$ 1,842,254	\$ -	\$ 1,842,254
Changes for the year:			
Service Cost	\$ 48,218	\$ -	\$ 48,218
Interest on Total OPEB Liability	40,382	-	40,382
Actuarial Experience	84,454	-	84,454
Assumption Changes	(112,323)		(112,323)
Benefit Payments	(126,651)	126,651	(253,302)
Contributions - Employer	-	(126,651)	126,651
Net Changes	\$ (65,920)	\$ -	\$ (65,920)
Balances at April 30, 2022	\$ 1,776,334	\$ -	\$ 1,776,334

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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
\$ 1,943,515	\$ 1,776,334	\$ 1,636,340

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
\$ 1,627,107	\$ 1,776,334	\$ 1,955,084

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended April 30, 2022, the City recognized OPEB expense of \$60,731. At April 30, 2022, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

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, 2022, total incentive payments were \$177,620.

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, 2022, total incentive payments were \$63,532.

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

G. NET INVESTMENT IN CAPITAL ASSETS CALCULATION

Net investment in capital assets calculation as of April 30, 2022 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Governmental Activities

Capital Assets, Net of Accumulated Depreciation	\$	29,458,287
Less:		
Capital Related Debt		<u>(7,930,116)</u>
Investment in Capital Assets	\$	<u>21,528,171</u>

Business-Type Activities

Capital Assets, Net of Accumulated Depreciation	\$	4,096,299
Less:		
Capital Related Debt		<u>(215,000)</u>
Investment in Capital Assets	\$	<u>3,881,299</u>

H. SUBSEQUENT EVENTS

On December 18, 2019 Governor JB Pritzker signed SB1300. The law, a Public Act (P.A.), 101-0610, represents the culmination of more than a decade of work by the Illinois Municipal League (IML). The law consolidates the assets of the state’s more than 650 downstate and suburban public safety pension funds into two consolidated investment funds, one for police officers (Article 3) and one for firefighters (Article 4), which will improve investment returns, eliminate unnecessary and redundant administrative costs, ensure more money is available to fund pension benefits, and reduce the burden on local taxpayers. The law was effective as of January 1, 2020. All pension fund assets, currently reported within the fiduciary fund statements of the Plan, were transferred to the police pension investment fund (IPOPFI) on June 24, 2022.

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, 2022

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Local Taxes			
Property Tax	\$ 375,000	\$ 441,989	\$ 66,989
Local Use	700,000	626,005	(73,995)
Utility	690,000	810,890	120,890
Local Sales Tax	285,000	535,851	250,851
Places for Eating	210,000	367,194	157,194
Other	856,500	912,807	56,307
Total Local Taxes	<u>\$ 3,116,500</u>	<u>\$ 3,694,736</u>	<u>\$ 578,236</u>
Intergovernmental			
Income Tax	\$ 1,500,000	\$ 2,563,987	\$ 1,063,987
Grants	43,000	61,414	18,414
State Sales Tax	1,250,000	1,685,682	435,682
Personal Property Replacement Tax	4,000	16,191	12,191
Other	53,000	73,217	20,217
Total Intergovernmental	<u>\$ 2,850,000</u>	<u>\$ 4,400,491</u>	<u>\$ 1,550,491</u>
Licenses and Permits			
Vehicle Stickers	\$ 715,200	\$ 672,015	\$ (43,185)
Licenses	169,150	239,277	70,127
Total Licenses and Permits	<u>\$ 884,350</u>	<u>\$ 911,292</u>	<u>\$ 26,942</u>
Fines, Forfeitures and Penalties			
Public Safety Fines and Fees	\$ 281,000	\$ 546,136	\$ 265,136
Total Fines, Forfeitures and Penalties	<u>\$ 281,000</u>	<u>\$ 546,136</u>	<u>\$ 265,136</u>
Charges for Services			
Franchise Fees	\$ 309,000	\$ 341,912	\$ 32,912
Building Revenue and Fees	434,550	491,543	56,993
Public Safety Charges for Services	47,500	41,797	(5,703)
General Government Administration	160,000	160,000	-
Total Charges for Services	<u>\$ 951,050</u>	<u>\$ 1,035,252</u>	<u>\$ 84,202</u>
Investment Income			
Investment Income	\$ 56,000	\$ 13,584	\$ (42,416)
Total Investment Income	<u>\$ 56,000</u>	<u>\$ 13,584</u>	<u>\$ (42,416)</u>
Miscellaneous			
Reimbursable Income	\$ 153,600	\$ 185,661	\$ 32,061
Miscellaneous	25,500	79,143	53,643
Total Miscellaneous	<u>\$ 179,100</u>	<u>\$ 264,804</u>	<u>\$ 85,704</u>
Total Revenues	<u>\$ 8,318,000</u>	<u>\$ 10,866,295</u>	<u>\$ 2,548,295</u>
EXPENDITURES			
General Government			
City Council and Boards			
Salaries	\$ 32,200	\$ 32,580	\$ 380
Pension Benefits	2,500	2,009	(491)
Professional Services	-	197	197
Professional Development	16,000	13,097	(2,903)
Other Expenditures	39,120	50,141	11,021
Total City Council and Boards	<u>\$ 89,820</u>	<u>\$ 98,024</u>	<u>\$ 8,204</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, 2022

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
EXPENDITURES (Continued)			
General Government (Continued)			
Administration			
Salaries	\$ 385,500	\$ 399,234	\$ 13,734
Insurance Benefits	22,400	29,483	7,083
Pension Benefits	86,400	74,305	(12,095)
Professional Services	148,500	148,965	465
Communications	50,200	36,495	(13,705)
Professional Development	6,000	3,408	(2,592)
Service Charges and Fees	71,000	79,895	8,895
Other Contractual Services	24,090	15,823	(8,267)
General Supplies	8,800	5,502	(3,298)
Other Expenditures	-	345	345
Total Administration	<u>\$ 802,890</u>	<u>\$ 793,455</u>	<u>\$ (9,435)</u>
Finance Department			
Professional Services	\$ 135,920	\$ 145,531	\$ 9,611
Professional Development	1,000	190	(810)
Other Contractual Services	8,000	15,060	7,060
Total Finance Department	<u>\$ 144,920</u>	<u>\$ 160,781</u>	<u>\$ 15,861</u>
Legal Department			
Professional Services	\$ 387,000	\$ 336,266	\$ (50,734)
Total Legal Department	<u>\$ 387,000</u>	<u>\$ 336,266</u>	<u>\$ (50,734)</u>
Building Department			
Salaries	\$ 335,000	\$ 347,671	\$ 12,671
Insurance Benefits	60,400	62,051	1,651
Pension Benefits	74,000	73,573	(427)
Professional Services	71,800	64,178	(7,622)
Communications	3,500	3,008	(492)
Professional Development	4,920	4,838	(82)
Other Contractual Services	5,740	5,893	153
General Supplies	5,500	3,235	(2,265)
Printed Materials	2,500	-	(2,500)
Total Building Department	<u>\$ 563,360</u>	<u>\$ 564,447</u>	<u>\$ 1,087</u>
Reimbursable Expenditures			
Insurance Benefits	\$ 48,000	\$ 93,389	\$ 45,389
Professional Services	18,000	21,000	3,000
General Supplies	7,500	9,249	1,749
Total Reimbursable Expenditures	<u>\$ 73,500</u>	<u>\$ 123,638</u>	<u>\$ 50,138</u>
Total General Government	<u>\$ 2,061,490</u>	<u>\$ 2,076,611</u>	<u>\$ 15,121</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, 2022

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXPENDITURES (Continued)			
Public Safety			
Salaries	\$ 2,928,145	\$ 2,655,813	\$ (272,332)
Insurance Benefits	483,000	491,762	8,762
Pension Benefits	1,330,854	1,242,635	(88,219)
Professional Services	106,000	112,269	6,269
Communications	245,600	232,691	(12,909)
Professional Development	89,500	65,102	(24,398)
Service Charges and Fees	7,000	5,731	(1,269)
Other Contractual Services	185,060	183,171	(1,889)
Maintenance Supplies	17,000	16,958	(42)
General Supplies	101,000	102,057	1,057
Printed Materials	1,000	255	(745)
Other Expenditures	28,000	7,697	(20,303)
Total Public Safety	\$ 5,522,159	\$ 5,116,141	\$ (406,018)
Public Works			
Salaries	\$ 394,000	\$ 369,717	\$ (24,283)
Insurance Benefits	145,500	109,388	(36,112)
Pension Benefits	93,000	78,864	(14,136)
Maintenance Service	75,000	56,143	(18,857)
Professional Services	136,000	126,496	(9,504)
Professional Development	9,500	3,721	(5,779)
Service Charges and Fees	21,000	19,602	(1,398)
Other Contractual Services	48,340	63,596	15,256
Maintenance Supplies	119,000	86,995	(32,005)
General Supplies	72,500	54,444	(18,056)
Other Expenditures	162,500	241,652	79,152
Total Public Works	\$ 1,276,340	\$ 1,210,618	\$ (65,722)
Capital Outlay			
General Government	\$ 33,500	\$ 34,061	\$ 561
Public Works	75,700	18,901	(56,799)
Public Safety	38,000	22,885	(15,115)
Total Capital Outlay	\$ 147,200	\$ 75,847	\$ (71,353)
Debt Service			
Principal	\$ 165,000	\$ 165,000	\$ -
Interest	22,284	22,034	(250)
Total Debt Service	\$ 187,284	\$ 187,034	\$ (250)
Total Expenditures	\$ 9,194,473	\$ 8,666,251	\$ (528,222)

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, 2022

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (876,473)	\$ 2,200,044	\$ 3,076,517
OTHER FINANCING SOURCES/(USES)			
Transfers	<u>(101,600)</u>	<u>(101,600)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (978,073)</u>	\$ 2,098,444	<u>\$ 3,076,517</u>
FUND BALANCE - MAY 1, 2021		<u>13,372,641</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 15,471,085</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, 2022

	4/30/2022*	4/30/2021*	4/30/2020*	4/30/2019*	4/30/2018*	4/30/2017*	4/30/2016*
TOTAL PENSION LIABILITY							
Service Cost	\$ 143,784	\$ 144,037	\$ 139,897	\$ 133,920	\$ 162,911	\$ 149,243	\$ 141,921
Interest on Total Pension Liability	912,984	876,606	852,107	814,238	817,631	745,396	695,680
Differences Between Expected and Actual Experience	(454,710)	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	(733,789)	(673,062)	(626,856)	(580,469)	(527,039)	(497,736)	(452,023)
Net Change in Total Pension Liability	<u>\$ (131,731)</u>	<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>12,887,888</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>	<u>9,443,163</u>
Total Pension Liability - Ending	<u>\$ 12,756,157</u>	<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	\$ 199,220	\$ 212,104	\$ 148,508	\$ 162,456	\$ 175,762	\$ 189,190	\$ 171,547
Contributions - Member	64,869	67,549	62,228	59,147	62,872	98,116	65,806
Net Investment Income	2,164,429	1,649,878	1,879,774	(572,869)	1,680,456	620,021	43,117
Benefit Payments, Including Refunds of Member Contributions	(733,789)	(673,062)	(626,856)	(580,469)	(527,039)	(497,736)	(452,023)
Other (Net Transfer)	(365,001)	119,235	(105,781)	245,757	(391,162)	612,930	253,636
Net Change in Plan Fiduciary Net Position	<u>\$ 1,329,728</u>	<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>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>	<u>8,730,682</u>
Plan Net Position - Ending	<u>\$ 14,213,502</u>	<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>\$ (1,457,345)</u>	<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	111.42%	99.97%	93.14%	84.61%	97.80%	88.74%	86.92%
Covered-Valuation Payroll	\$ 1,509,387	\$ 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	-96.55%	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>4/30/2022*</u>	<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	\$ 199,220	\$ 212,104	\$ 147,536	\$ 162,456	\$ 175,762	\$ 189,191	\$ 171,547
Contributions in relation to Actuarially-Determined Contribution	<u>199,220</u>	<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>\$ -</u>	<u>\$ (972)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
Covered-Valuation Payroll	\$ 1,431,598	\$ 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	13.92%	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 2021 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: 22-year closed period

Asset Valuation Method: 5-year smoothed fair value; 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 rates were 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 rates were 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, 2019 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, 2022

	4/30/2022	4/30/2021	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
TOTAL PENSION LIABILITY								
Service Cost	\$ 509,374	\$ 501,584	\$ 398,261	\$ 456,041	\$ 427,205	\$ 428,118	\$ 450,562	\$ 421,779
Interest	1,938,539	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	(392,420)	(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	(1,305,996)	(1,166,688)	(1,045,781)	(909,776)	(680,633)	(472,067)	(322,396)	(741,886)
Net Change in Total Pension Liability	<u>\$ 749,497</u>	<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>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>	<u>18,285,345</u>
Total Pension Liability - Ending	<u>\$ 31,596,613</u>	<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>
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 1,148,839	\$ 997,013	\$ 985,385	\$ 794,856	\$ 1,125,669	\$ 877,282	\$ 715,486	\$ 671,436
Contributions - Member	218,155	215,081	210,549	241,784	209,576	246,043	194,882	178,778
Net Investment Income	(1,146,368)	4,925,707	(97,225)	1,125,377	981,790	1,056,552	(122,786)	724,207
Benefit Payments, Including Refunds of Member Contributions	(1,305,996)	(1,166,688)	(1,045,781)	(909,776)	(680,633)	(472,067)	(322,396)	(742,462)
Administrative Expenses	(32,337)	(39,645)	(32,954)	(30,367)	(30,956)	(28,861)	(32,766)	(22,575)
Net Change in Plan Fiduciary Net Position	<u>\$ (1,117,707)</u>	<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>22,217,843</u>	<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>\$ 21,100,136</u>	<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>\$ 10,496,477</u>	<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	66.78%	72.03%	59.78%	65.43%	63.96%	62.82%	57.68%	61.99%
Covered Payroll	\$ 2,161,984	\$ 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	485.50%	417.49%	541.31%	446.48%	425.05%	414.81%	494.69%	395.71%
	<u>2022</u>	<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	-5.31%	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>4/30/2022</u>	<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	\$ 1,238,854	\$ 1,055,208	\$ 1,002,709	\$ 920,119	\$ 820,079	\$ 728,579	\$ 630,932	\$ 630,932
Contributions in relation to Actuarially-Determined Contribution	<u>1,148,839</u>	<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>\$ 90,015</u>	<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	\$ 2,161,984	\$ 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	53.14%	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, 2022

	<u>4/30/2022</u>	<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	\$ 48,218	\$ 45,432	\$ 36,982	\$ 48,981	\$ 47,111
Interest	40,382	45,319	61,173	73,300	72,931
Differences Between Expected and Actual Experience	84,454	-	(268,110)	-	-
Changes of Assumptions	(112,323)	40,537	167,533	21,909	-
Benefit Payments	(126,651)	(118,645)	(100,257)	(116,622)	(104,725)
Net Change in Total OPEB Liability	<u>\$ (65,920)</u>	<u>\$ 12,643</u>	<u>\$ (102,679)</u>	<u>\$ 27,568</u>	<u>\$ 15,317</u>
Total OPEB Liability - Beginning	<u>1,842,254</u>	<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><u>\$ 1,776,334</u></u>	<u><u>\$ 1,842,254</u></u>	<u><u>\$ 1,829,611</u></u>	<u><u>\$ 1,932,290</u></u>	<u><u>\$ 1,904,722</u></u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 3,218,835	\$ 3,502,976	\$ 3,547,276	\$ 3,233,572	\$ 2,680,815
Employer's Net OPEB Liability as a Percentage of Covered Payroll	55.19%	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: 3.21% 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.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2022

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 26, 2021.

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, 2022.

NOTE II - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2022, 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, 2022

	Tourism Fund	DEA Seizure Fund	SWANCC Fund	Special Service Area #1 Fund	Special Service Area #2 Fund	Special Service Area #3 Fund
ASSETS						
Cash and Investments	\$ 172,344	\$ 470,315	\$ 19,104	\$ 11,367	\$ 51,865	\$ 338,955
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Property Taxes	-	-	-	-	-	-
Accounts Receivable	51,031	-	116,643	-	-	-
Prepaid Items	-	-	29,788	-	-	-
Due from Other Funds	35,732	-	38,853	-	-	-
TOTAL ASSETS	\$ 259,107	\$ 470,315	\$ 204,388	\$ 11,367	\$ 51,865	\$ 338,955
LIABILITIES						
Accounts Payable	\$ 3,725	\$ 1,566	\$ 250	\$ 13,345	\$ 22,217	\$ 12,283
Accrued Payroll	-	316	-	-	-	-
Due to Other Funds	14,056	3,830	46,253	106,081	-	-
TOTAL LIABILITIES	\$ 17,781	\$ 5,712	\$ 46,503	\$ 119,426	\$ 22,217	\$ 12,283
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ 29,788	\$ -	\$ -	\$ -
Restricted for:						
Tourism	241,326	-	-	-	-	-
Public Safety	-	464,603	-	-	-	-
Special Service Area Improvements	-	-	-	-	29,648	326,672
Palatine Road Tax Increment Financing	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Committed for:						
Solid Waste Disposal	-	-	128,097	-	-	-
Unassigned	-	-	-	(108,059)	-	-
TOTAL FUND BALANCES	\$ 241,326	\$ 464,603	\$ 157,885	\$ (108,059)	\$ 29,648	\$ 326,672
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 259,107	\$ 470,315	\$ 204,388	\$ 11,367	\$ 51,865	\$ 338,955

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 APRIL 30, 2022

	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	Total Nonmajor Governmental Funds
ASSETS						
Cash and Investments	\$ 44,558	\$ 160,442	\$ 210,593	\$ 683,955	\$ 856,561	\$ 3,020,059
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Property Taxes	-	14,587	105,546	77,053	59,433	256,619
Accounts Receivable	-	-	-	-	-	167,674
Prepaid Items	-	431	-	431	-	30,650
Due from Other Funds	-	160	-	-	-	74,745
TOTAL ASSETS	\$ 44,558	\$ 175,620	\$ 316,139	\$ 761,439	\$ 915,994	\$ 3,549,747
LIABILITIES						
Accounts Payable	\$ 15,040	\$ 9,880	\$ -	\$ 2,654	\$ 572	\$ 81,532
Accrued Payroll	-	-	-	-	-	316
Due to Other Funds	-	-	-	-	4,415	174,635
TOTAL LIABILITIES	\$ 15,040	\$ 9,880	\$ -	\$ 2,654	\$ 4,987	\$ 256,483
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ -	\$ 14,322	\$ 104,744	\$ 75,204	\$ 59,433	\$ 253,703
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ 14,322	\$ 104,744	\$ 75,204	\$ 59,433	\$ 253,703
FUND BALANCES						
Nonspendable	\$ -	\$ 431	\$ -	\$ 431	\$ -	\$ 30,650
Restricted for:						
Tourism	-	-	-	-	-	241,326
Public Safety	-	-	-	-	-	464,603
Special Service Area Improvements	29,518	150,987	-	683,150	-	1,219,975
Palatine Road Tax Increment Financing	-	-	-	-	851,574	851,574
Debt Service	-	-	211,395	-	-	211,395
Committed for:						
Solid Waste Disposal	-	-	-	-	-	128,097
Unassigned	-	-	-	-	-	(108,059)
TOTAL FUND BALANCES	\$ 29,518	\$ 151,418	\$ 211,395	\$ 683,581	\$ 851,574	\$ 3,039,561
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 44,558	\$ 175,620	\$ 316,139	\$ 761,439	\$ 915,994	\$ 3,549,747

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2022

	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	\$ 433,315	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	129,511	-	-	-	-
Charges for Services	-	-	466,587	-	-	-
Investment Income	4	84	-	2	11	68
Total Revenues	\$ 433,319	\$ 129,595	\$ 466,587	\$ 2	\$ 11	\$ 68
EXPENDITURES						
Current						
General Government	\$ 115,212	\$ -	\$ 428,729	\$ -	\$ -	\$ -
Public Safety	-	44,763	-	-	-	-
Public Works	-	-	-	-	-	-
Capital Outlay	-	59,691	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	\$ 115,212	\$ 104,454	\$ 428,729	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 318,107	\$ 25,141	\$ 37,858	\$ 2	\$ 11	\$ 68
OTHER FINANCING SOURCES/(USES)						
Transfers Out	(3,400)	-	(85,000)	-	-	-
NET CHANGE IN FUND BALANCES	\$ 314,707	\$ 25,141	\$ (47,142)	\$ 2	\$ 11	\$ 68
FUND BALANCES - MAY 1, 2021	(73,381)	439,462	205,027	(108,061)	29,637	326,604
FUND BALANCES - APRIL 30, 2022	\$ 241,326	\$ 464,603	\$ 157,885	\$ (108,059)	\$ 29,648	\$ 326,672

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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, 2022

	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	Total Nonmajor Governmental Funds
REVENUES						
Local Taxes	\$ -	\$ 27,019	\$ 230,598	\$ 117,071	\$ 140,827	\$ 948,830
Intergovernmental	-	-	-	-	-	129,511
Charges for Services	-	-	-	-	-	466,587
Investment Income	9	30	35	182	233	658
Total Revenues	\$ 9	\$ 27,049	\$ 230,633	\$ 117,253	\$ 141,060	\$ 1,545,586
EXPENDITURES						
Current						
General Government	\$ -	\$ -	\$ 550	\$ -	\$ 10,440	\$ 554,931
Public Safety	-	-	-	-	-	44,763
Public Works	-	17,200	-	5,689	-	22,889
Capital Outlay	-	-	-	-	-	59,691
Debt Service						
Principal	-	-	170,000	-	-	170,000
Interest	-	-	48,570	-	-	48,570
Total Expenditures	\$ -	\$ 17,200	\$ 219,120	\$ 5,689	\$ 10,440	\$ 900,844
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 9	\$ 9,849	\$ 11,513	\$ 111,564	\$ 130,620	\$ 644,742
OTHER FINANCING SOURCES/(USES)						
Transfers Out	-	-	-	-	-	(88,400)
NET CHANGE IN FUND BALANCES	\$ 9	\$ 9,849	\$ 11,513	\$ 111,564	\$ 130,620	\$ 556,342
FUND BALANCES - MAY 1, 2021	29,509	141,569	199,882	572,017	720,954	2,483,219
FUND BALANCES - APRIL 30, 2022	\$ 29,518	\$ 151,418	\$ 211,395	\$ 683,581	\$ 851,574	\$ 3,039,561

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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, 2022

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Grants	\$ -	\$ 1,523,741	\$ 1,523,741
Total Revenues	\$ -	\$ 1,523,741	\$ 1,523,741
EXPENDITURES			
Capital Outlay	\$ 3,425,640	\$ 538,247	\$ (2,887,393)
Total Expenditures	\$ 3,425,640	\$ 538,247	\$ (2,887,393)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,425,640)	\$ 985,494	\$ 4,411,134
OTHER FINANCING SOURCES (USES)			
Transfers	85,000	209,922	124,922
NET CHANGE IN FUND BALANCE	\$ (3,340,640)	\$ 1,195,416	\$ 4,536,056
FUND BALANCE - MAY 1, 2021		5,722,741	
FUND BALANCE - APRIL 30, 2022		\$ 6,918,157	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR SPECIAL REVENUE FUND - MOTOR FUEL TAX
 FOR THE YEAR ENDED APRIL 30, 2022

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Motor Fuel Tax	\$ 967,611	\$ 1,005,152	\$ 37,541
Grants	-	160,000	160,000
Investment Income	5,000	3,906	(1,094)
Total Revenues	<u>\$ 972,611</u>	<u>\$ 1,169,058</u>	<u>\$ 196,447</u>
EXPENDITURES			
Capital Outlay	\$ 320,000	\$ 194,986	\$ (125,014)
Total Expenditures	<u>\$ 320,000</u>	<u>\$ 194,986</u>	<u>\$ (125,014)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 652,611	\$ 974,072	\$ 321,461
OTHER FINANCING SOURCES (USES)			
Transfers	<u>-</u>	<u>(124,922)</u>	<u>(124,922)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 652,611</u>	\$ 849,150	<u>\$ 196,539</u>
FUND BALANCE - MAY 1, 2021		<u>3,535,711</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 4,384,861</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, 2022

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Hotel	\$ 156,000	\$ 433,315	\$ 277,315
Investment Income	-	4	4
Total Revenues	\$ 156,000	\$ 433,319	\$ 277,319
EXPENDITURES			
General Government			
Administration			
Professional Services	\$ 32,600	\$ 26,518	\$ (6,082)
Professional Development	60,000	28,644	(31,356)
Service Charges and Fees	60,000	60,050	50
Total Expenditures	\$ 152,600	\$ 115,212	\$ (37,388)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 3,400	\$ 318,107	\$ 314,707
OTHER FINANCING SOURCES (USES)			
Transfers	(3,400)	(3,400)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 314,707	\$ 314,707
FUND BALANCE - MAY 1, 2021		(73,381)	
FUND BALANCE - APRIL 30, 2022		\$ 241,326	

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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, 2022

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 129,511	\$ 129,511
Investment Income	100	84	(16)
Total Revenues	<u>\$ 100</u>	<u>\$ 129,595</u>	<u>\$ 129,495</u>
EXPENDITURES			
Public Safety			
Salaries	\$ 15,000	\$ 21,823	\$ 6,823
Professional Services	5,000	-	(5,000)
Professional Development	10,000	1,811	(8,189)
Maintenance Supplies	30,000	16,764	(13,236)
General Supplies	13,000	4,365	(8,635)
Total Public Safety	<u>\$ 73,000</u>	<u>\$ 44,763</u>	<u>\$ (28,237)</u>
Capital Outlay			
Capital Outlay	\$ 180,000	\$ 59,691	\$ (120,309)
Total Expenditures	<u>\$ 253,000</u>	<u>\$ 104,454</u>	<u>\$ (148,546)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (252,900)</u>	<u>\$ 25,141</u>	<u>\$ 278,041</u>
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (252,900)</u>	<u>\$ 25,141</u>	<u>\$ 278,041</u>
FUND BALANCE - MAY 1, 2021		<u>439,462</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 464,603</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 - SWANCC
FOR THE YEAR ENDED APRIL 30, 2022

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ 460,000	\$ 466,587	\$ 6,587
Total Revenues	\$ 460,000	\$ 466,587	\$ 6,587
EXPENDITURES			
General Government			
Administration			
Service Charges and Fees	\$ 460,000	\$ 428,480	\$ (31,520)
City Council and Boards			
Professional Services	-	249	249
Total General Government	\$ 460,000	\$ 428,729	\$ (31,271)
Total Expenditures	\$ 460,000	\$ 428,729	\$ (31,271)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 37,858	\$ 37,858
OTHER FINANCING SOURCES (USES)			
Transfers	(85,000)	(85,000)	-
NET CHANGE IN FUND BALANCE	\$ (85,000)	\$ (47,142)	\$ 37,858
FUND BALANCE - MAY 1, 2021		205,027	
FUND BALANCE - APRIL 30, 2022		\$ 157,885	

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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, 2022

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 2	\$ 2
Total Revenues	\$ -	\$ 2	\$ 2
EXPENDITURES			
Total Expenditures	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 2	\$ 2
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 2	\$ 2
FUND BALANCE - MAY 1, 2021		(108,061)	
FUND BALANCE - APRIL 30, 2022		\$ (108,059)	

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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, 2022

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Income	\$ -	\$ 11	\$ 11
Total Revenues	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</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)	\$ 11	\$ 29,011
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (29,000)</u>	\$ 11	<u>\$ 29,011</u>
FUND BALANCE - MAY 1, 2021		<u>29,637</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 29,648</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 #3
 FOR THE YEAR ENDED APRIL 30, 2022

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Income	\$ -	\$ 68	\$ 68
Total Revenues	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 68</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)	\$ 68	\$ 320,068
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (320,000)</u>	\$ 68	<u>\$ 320,068</u>
FUND BALANCE - MAY 1, 2021		<u>326,604</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 326,672</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, 2022

	<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, 2021		<u>29,509</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 29,518</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, 2022

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 27,300	\$ 27,019	\$ (281)
Investment Income	-	30	30
Total Revenues	\$ 27,300	\$ 27,049	\$ (251)
EXPENDITURES			
Public Works			
Maintenance Services	\$ 6,000	\$ 4,437	\$ (1,563)
Professional Services	3,000	10,500	7,500
Other Contractual Services	3,700	2,263	(1,437)
Total Public Works	\$ 12,700	\$ 17,200	\$ 4,500
Total Expenditures	\$ 12,700	\$ 17,200	\$ 4,500
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 14,600	\$ 9,849	\$ (4,751)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 14,600	\$ 9,849	\$ (4,751)
FUND BALANCE - MAY 1, 2021		141,569	
FUND BALANCE - APRIL 30, 2022		\$ 151,418	

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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, 2022

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 218,570	\$ 230,598	\$ 12,028
Investment Income	1,000	35	(965)
Total Revenues	<u>\$ 219,570</u>	<u>\$ 230,633</u>	<u>\$ 11,063</u>
EXPENDITURES			
General Government			
Service Charges and Fees	\$ 550	\$ 550	\$ -
Total General Government	<u>\$ 550</u>	<u>\$ 550</u>	<u>\$ -</u>
Debt Service			
Principal	\$ 170,000	\$ 170,000	\$ -
Interest	48,750	48,570	(180)
Total Debt Service	<u>\$ 218,750</u>	<u>\$ 218,570</u>	<u>\$ (180)</u>
Total Expenditures	<u>\$ 219,300</u>	<u>\$ 219,120</u>	<u>\$ (180)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 270	\$ 11,513	\$ 11,243
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 270</u>	\$ 11,513	<u>\$ 11,243</u>
FUND BALANCE - MAY 1, 2021		<u>199,882</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 211,395</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 #8
FOR THE YEAR ENDED APRIL 30, 2022

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 140,000	\$ 117,071	\$ (22,929)
Investment Income	0	182	182
Total Revenues	<u>\$ 140,000</u>	<u>\$ 117,253</u>	<u>\$ (22,747)</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 12,000	\$ 3,327	\$ (8,673)
Other Contractual Services	3,700	2,263	(1,437)
Operating Supplies	1,000	99	(901)
Total Public Works	<u>\$ 16,700</u>	<u>\$ 5,689</u>	<u>\$ (11,011)</u>
Capital Outlay	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ (5,000)</u>
Total Expenditures	<u>\$ 21,700</u>	<u>\$ 5,689</u>	<u>\$ (16,011)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 118,300	\$ 111,564	\$ (6,736)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 118,300</u>	\$ 111,564	<u>\$ (6,736)</u>
FUND BALANCE - MAY 1, 2021		<u>572,017</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 683,581</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, 2022

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property Taxes	\$ 80,000	\$ 140,827	\$ 60,827
Investment Income	-	233	233
Total Revenues	<u>\$ 80,000</u>	<u>\$ 141,060</u>	<u>\$ 61,060</u>
EXPENDITURES			
General Government			
Professional Services	\$ 12,570	\$ 10,440	\$ (2,130)
Total General Government	<u>\$ 12,570</u>	<u>\$ 10,440</u>	<u>\$ (2,130)</u>
Total Expenditures	<u>\$ 12,570</u>	<u>\$ 10,440</u>	<u>\$ (2,130)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 67,430	\$ 130,620	\$ 63,190
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 67,430</u>	\$ 130,620	<u>\$ 63,190</u>
FUND BALANCE - MAY 1, 2021		<u>720,954</u>	
FUND BALANCE - APRIL 30, 2022		<u>\$ 851,574</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIDUCIARY FUND - POLICE PENSION TRUST FUND
FOR THE YEAR ENDED APRIL 30, 2022

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
ADDITIONS			
Contributions			
Employer	\$ 1,238,854	\$ 1,148,839	\$ (90,015)
Plan Members	217,500	218,155	655
Total Contributions	\$ 1,456,354	\$ 1,366,994	\$ (89,360)
Investment Income			
Interest and Dividends	\$ 100,000	\$ 684,502	\$ 584,502
Net Appreciation in Fair Value of Investments	800,000	(1,781,547)	(2,581,547)
Total Investment Income	\$ 900,000	\$ (1,097,045)	\$ (1,997,045)
Less Investment Expense	25,000	49,323	24,323
Net Investment Income	\$ 875,000	\$ (1,146,368)	\$ (2,021,368)
Total Additions	\$ 2,331,354	\$ 220,626	\$ (2,110,728)
DEDUCTIONS			
Professional Fees	\$ 40,000	\$ 32,337	\$ (7,663)
Disability Benefits	133,100	131,779	(1,321)
Employee Benefits	1,075,200	1,173,743	98,543
Refunds/Transfer of Contributions	-	474	474
Total Deductions	\$ 1,248,300	\$ 1,338,333	\$ 90,033
 CHANGE IN NET POSITION	 \$ 1,083,054	 \$ (1,117,707)	 \$ (2,200,761)
NET POSITION - MAY 1, 2021		22,217,847	
NET POSITION - APRIL 30, 2022		\$ 21,100,140	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2008
 APRIL 30, 2022

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
2023	\$ 170,000	\$ 15,145	\$ 185,145
2024	180,000	7,789	187,789
TOTAL	<u>\$ 350,000</u>	<u>\$ 22,934</u>	<u>\$ 372,934</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2010
 APRIL 30, 2022

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
2023	\$ 70,000	\$ 10,760	\$ 80,760
2024	70,000	7,400	77,400
2025	75,000	3,900	78,900
TOTAL	<u>\$ 215,000</u>	<u>\$ 22,060</u>	<u>\$ 237,060</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2013
 APRIL 30, 2022

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
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>\$ 2,105,000</u>	<u>\$ 140,585</u>	<u>\$ 2,245,585</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 SPECIAL SERVICE AREA #6 REFUNDING BONDS SERIES 2018
 APRIL 30, 2022

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
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>\$ 1,340,000</u>	<u>\$ 186,018</u>	<u>\$ 1,526,018</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, 2022

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
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>\$ 3,595,000</u>	<u>\$ 561,500</u>	<u>\$ 4,156,500</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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 21,528,171	\$ 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
Restricted	9,264,424	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
Unrestricted	<u>54,533,929</u>	<u>50,848,934</u>	<u>46,924,167</u>	<u>47,827,839</u>	<u>49,295,498</u>	<u>49,316,897</u>	<u>48,059,501</u>	<u>54,085,418</u>	<u>6,085,044</u>	<u>2,714,558</u>
Total governmental activities net position	<u>\$ 85,326,524</u>	<u>\$ 78,201,664</u>	<u>\$ 74,539,538</u>	<u>\$ 73,609,980</u>	<u>\$ 72,177,990</u>	<u>\$ 70,466,797</u>	<u>\$ 67,975,385</u>	<u>\$ 74,000,425</u>	<u>\$ 25,537,432</u>	<u>\$ 22,576,658</u>
Business-type activities										
Net investment in capital assets	\$ 3,881,299	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>4,933,289</u>	<u>4,232,274</u>	<u>3,651,849</u>	<u>2,908,562</u>	<u>2,182,272</u>	<u>1,661,730</u>	<u>1,591,601</u>	<u>1,382,414</u>	<u>47,901,097</u>	<u>48,245,908</u>
Total business-type activities net position	<u>\$ 8,814,588</u>	<u>\$ 7,964,876</u>	<u>\$ 7,246,350</u>	<u>\$ 6,391,837</u>	<u>\$ 5,662,690</u>	<u>\$ 5,229,665</u>	<u>\$ 5,260,330</u>	<u>\$ 5,098,699</u>	<u>\$ 51,717,351</u>	<u>\$ 52,162,131</u>
Total City										
Net investment in capital assets	\$ 25,409,470	\$ 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
Restricted	9,264,424	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
Unrestricted	<u>59,467,218</u>	<u>55,081,208</u>	<u>50,576,016</u>	<u>50,736,401</u>	<u>51,477,770</u>	<u>50,978,627</u>	<u>49,651,102</u>	<u>55,467,832</u>	<u>53,986,141</u>	<u>50,960,466</u>
Total City net position	<u>\$ 94,141,112</u>	<u>\$ 86,166,540</u>	<u>\$ 81,785,888</u>	<u>\$ 80,001,817</u>	<u>\$ 77,840,680</u>	<u>\$ 75,696,462</u>	<u>\$ 73,235,715</u>	<u>\$ 79,099,124</u>	<u>\$ 77,254,783</u>	<u>\$ 247,738,789</u>

Notes: 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.

Data Source
The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
General Government	\$ 1,722,870	\$ 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
Public Safety	5,137,184	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
Public Works	2,858,351	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
Interest on long-term debt	208,293	803,545	330,386	421,297	546,271	527,668	663,219	796,754	1,097,241	803,325
Joint Venture Airport	(824,780)	90,908	315,175	870,117	549,037	65,299	661,580	360,206		
Total governmental activities expenses	\$ 9,101,918	\$ 10,320,066	\$ 12,875,166	\$ 12,145,172	\$ 12,317,855	\$ 10,751,618	\$ 11,966,868	\$ 11,568,263	\$ 10,671,996	\$ 10,017,576
BUSINESS-TYPE ACTIVITIES										
Water	\$ 643,873	\$ 733,565	\$ 741,474	\$ 690,868	\$ 644,927	\$ 619,237	\$ 589,212	\$ 592,541	\$ 634,627	\$ 650,693
Sewer	272,171	224,098	151,328	286,057	95,557	81,023	39,291	-	-	-
Airport	-	-	-	-	-	-	-	-	365,947	-
Parking	107,769	114,995	105,580	116,628	78,037	54,868	70,471	67,552	83,334	60,603
Total business-type activities expenses	\$ 1,023,813	\$ 1,072,658	\$ 998,382	\$ 1,093,553	\$ 818,521	\$ 755,128	\$ 698,974	\$ 660,093	\$ 1,083,908	\$ 711,296
Total City expense	\$ 10,125,731	\$ 11,392,724	\$ 13,873,548	\$ 13,238,725	\$ 13,136,376	\$ 11,506,746	\$ 12,665,842	\$ 12,228,356	\$ 11,755,904	\$ 10,728,872
PROGRAM REVENUES										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES:										
General Government	\$ 1,904,747	\$ 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
Public Safety	587,933	280,142	495,501	1,008,724	836,534	855,480	803,173	886,793	505,526	301,287
Public Works	466,587	470,159	503,905	467,470	-	-	-	-	-	-
Operating grants and contributions	1,900,327	544,897	467,715	1,264,463	1,088,026	683,539	981,268	1,087,223	800,285	1,175,743
Capital grants and contributions	160,000	-	-	-	-	-	-	325,000	-	-
Total governmental activities program revenues	\$ 5,019,594	\$ 3,497,636	\$ 3,493,459	\$ 4,305,382	\$ 4,215,082	\$ 3,959,457	\$ 3,967,274	\$ 4,663,373	\$ 3,432,640	\$ 3,524,817
BUSINESS-TYPE ACTIVITIES										
Charges for Services - Water	\$ 925,498	\$ 911,409	\$ 884,266	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663	\$ 710,576
Charges for Services - Parking	5,279	107	56,347	63,013	65,835	88,231	69,066	65,749	55,588	58,038
Charges for Services - Sewer	834,659	820,122	810,119	800,312	256,813	316,027	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	288,502	253,987
Total business-type activities program revenues	\$ 1,765,436	\$ 1,731,638	\$ 1,750,732	\$ 1,698,092	\$ 1,145,387	\$ 1,197,053	\$ 839,893	\$ 846,037	\$ 1,139,753	\$ 1,022,601
Total City program revenues	\$ 6,785,030	\$ 5,229,274	\$ 5,244,191	\$ 6,003,474	\$ 5,360,469	\$ 5,156,510	\$ 4,807,167	\$ 5,509,410	\$ 4,572,393	\$ 4,547,418
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (4,082,324)	\$ (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)
Business-type activities	741,623	658,980	752,350	879,571	390,259	498,079	179,800	(237,871)	428,457	374,168
Total government net expense	\$ (3,340,701)	\$ (6,163,450)	\$ (8,629,357)	\$ (6,583,865)	\$ (6,080,978)	\$ (6,847,752)	\$ (7,060,983)	\$ (6,246,494)	\$ (6,156,479)	\$ (4,318,212)

(continued)

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
GOVERNMENTAL ACTIVITIES:										
Taxes										
Property Taxes	\$ 2,184,366	\$ 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
Local Sales and local use	1,161,856	1,067,586	857,827	800,765	665,197	693,918	377,196	445,284	568,819	540,258
Utility	810,890	734,867	741,096	819,355	873,443	911,263	918,980	1,059,104	1,135,095	1,142,928
Hotel occupancy tax	433,315	171,901	675,388	791,836	827,607	849,495	811,689	776,817	757,813	745,932
Places for eating tax	367,194	215,459	296,949	318,704	318,595	326,929	306,113	302,612	301,808	272,726
Other	912,807	1,547,282	1,075,509	859,522	835,152	380,978	241,802	177,164	145,210	83,521
Intergovernmental										
Income Tax	2,563,987	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
State Sales Tax	1,685,682	1,275,604	1,348,179	1,405,229	1,121,542	981,646	828,941	924,209	822,982	734,219
Other	1,094,560	140,013	26,779	113,182	197,279	189,323	157,582	138,920	527,304	2,491
Investment earnings	18,384	584,016	336,135	62,058	125,859	42,524	27,546	(166,558)	30,600	18,295
Miscellaneous	79,143	23,383	324,567	36,622	78,241	87,083	127,295	228,725	63,423	113,280
Adjustment to land held for resale/Gain on Disposal	-	-	-	-	534,500	-	-	577,432	-	-
Bond Proceeds, Net of Bond Costs	-	2,356	-	-	-	-	-	-	-	-
Transfers	(105,000)	(55,000)	(68,000)	-	470,000	426,000	283,420	218,000	210,202	271,897
Total governmental activities	\$ 11,207,184	\$ 10,484,556	\$ 10,311,265	\$ 9,992,196	\$ 11,389,957	\$ 9,027,948	\$ 8,583,638	\$ 9,479,545	\$ 8,969,397	\$ 7,585,317
BUSINESS-TYPE ACTIVITIES										
Investment earnings	\$ 3,089	\$ 4,546	\$ 34,163	\$ 36,844	\$ 16,111	\$ 5,076	\$ 4,597	\$ 3,347	\$ 3,293	\$ 3,786
Transfers	105,000	55,000	68,000	-	(470,000)	(426,000)	(283,420)	(218,000)	(210,202)	(271,897)
Miscellaneous	-	-	-	-	7,343	-	(114)	638	-	35
Total business-type activities	\$ 108,089	\$ 59,546	\$ 102,163	\$ 36,844	\$ (446,546)	\$ (420,924)	\$ (278,937)	\$ (214,015)	\$ (206,909)	\$ (268,076)
Total City	\$ 11,315,273	\$ 10,544,102	\$ 10,413,428	\$ 10,029,040	\$ 10,943,411	\$ 8,607,024	\$ 8,304,701	\$ 9,265,530	\$ 8,762,488	\$ 7,317,241
Business-type activities:										
Capital contributed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 7,124,860	\$ 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
Business-type activities	849,712	718,526	854,513	729,147	433,025	(30,665)	219,142	(34,215)	(444,780)	160,381
Total City	\$ 7,974,572	\$ 4,380,652	\$ 1,784,071	\$ 2,161,137	\$ 3,810,509	\$ 2,460,747	\$ 795,369	\$ 1,844,341	\$ 2,515,994	\$ 1,160,762

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

PROGRAM REVENUES BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FUNCTION/PROGRAM										
Governmental Activities:										
General Government	\$ 3,661,813	\$ 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
Public Safety	727,101	295,558	681,911	780,603	1,372,795	1,138,978	995,886	1,163,395	1,290,628	604,721
Public Works	630,680	475,945	503,905	478,062	468,874	628,845	416,321	489,832	862,316	479,603
Total governmental activities revenue	\$ 5,019,594	\$ 3,497,636	\$ 3,493,459	\$ 3,584,966	\$ 4,305,382	\$ 4,215,082	\$ 3,959,457	\$ 3,967,274	\$ 4,663,373	\$ 3,432,640
BUSINESS-TYPE ACTIVITIES										
Water	\$ 925,498	\$ 911,409	\$ 884,267	\$ 904,744	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663
Sewer	834,659	820,122	810,119	817,775	800,312	256,813	316,027	-	-	-
Parking	5,279	107	56,347	63,337	63,013	65,835	88,231	69,066	65,749	55,588
Total business-type activities revenue	\$ 1,765,436	\$ 1,731,638	\$ 1,750,733	\$ 1,785,856	\$ 1,698,092	\$ 1,145,387	\$ 1,197,053	\$ 839,893	\$ 846,037	\$ 851,251
Total City revenues	\$ 6,785,030	\$ 5,229,274	\$ 5,244,192	\$ 5,370,822	\$ 6,003,474	\$ 5,360,469	\$ 5,156,510	\$ 4,807,167	\$ 5,509,410	\$ 4,283,891

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

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL FUND										
Nonspendable	\$ 668,316	\$ 737,831	\$ 2,587,535	\$ 2,785,969	\$ 5,088,947	\$ 5,141,789	\$ 5,193,298	\$ 912,697	\$ 1,006,087	\$ 581,238
Restricted	60,646	61,421	62,861	67,411	64,928	38,365	24,113	36,232	36,217	16,400
Committed	3,000,000	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
Assigned	-	-	-	-	-	5,820,743	5,820,743	7,390,154	7,276,612	207,071
Unassigned	11,742,123	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
Total General Fund	\$ 15,471,085	\$ 13,372,641	\$ 11,646,991	\$ 11,043,737	\$ 9,621,628	\$ 15,295,848	\$ 14,009,662	\$ 13,169,807	\$ 12,137,828	\$ 8,541,051
All other governmental funds										
Non-Spendable	\$ 30,650	\$ 40,883	\$ -	\$ -	\$ 5,124	\$ 27,667	\$ 42,696	\$ 35,633	\$ 34,229	\$ 36,314
Restricted	9,203,778	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
Committed	6,052,029	5,899,063	6,202,088	6,362,045	101,808	604,636	515,063	443,185	381,867	345,985
Assigned	-	-	-	-	7,650,743	-	-	2,662,210	2,965,409	3,449,314
Unassigned	(108,059)	(181,442)	(1,934,047)	(1,967,338)	(1,775,676)	(2,843,438)	(2,554,328)	(240,924)	(286,499)	(378,965)
Total all other governmental funds	\$ 15,178,398	\$ 12,603,421	\$ 11,707,174	\$ 10,178,714	\$ 10,496,032	\$ 976,150	\$ 578,356	\$ 7,125,479	\$ 9,560,487	\$ 13,631,449
Total	\$ 30,649,483	\$ 25,976,062	\$ 23,354,165	\$ 21,222,451	\$ 20,117,660	\$ 16,271,998	\$ 14,588,018	\$ 20,295,286	\$ 21,698,315	\$ 22,172,500

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES										
Taxes (1)	\$ 5,870,428	\$ 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
Intergovernmental (2)	5,535,154	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
Licenses	911,292	1,131,253	753,644	1,039,421	980,328	936,288	899,237	932,368	1,063,648	844,911
Fines and Forfeits	546,136	246,353	395,210	661,319	655,993	797,392	784,430	755,188	849,736	467,308
Charges for Services	1,501,839	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
Investment Income	18,384	584,016	336,135	62,058	660,359	42,524	27,546	(166,558)	30,600	18,295
Miscellaneous	1,948,545	181,098	537,851	196,847	994,751	248,460	259,935	366,648	222,968	360,742
Total Revenues	\$ 16,331,778	\$ 14,034,836	\$ 13,872,724	\$ 13,577,162	\$ 15,225,339	\$ 12,817,030	\$ 12,259,675	\$ 12,651,387	\$ 13,451,666	\$ 10,761,593
EXPENDITURES										
General Government	\$ 2,633,454	\$ 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
Public Safety	5,160,904	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
Public Works	1,233,507	1,199,218	1,132,742	894,780	970,223	970,636	1,085,664	1,195,842	905,608	807,717
Capital Outlay	868,771	499,433	878,093	1,847,249	546,920	904,469	2,188,781	3,138,652	4,099,039	5,328,497
Debt Service										
Principal	1,325,000	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
Interest	331,721	799,142	358,533	432,866	495,237	552,858	751,222	888,433	845,196	903,898
Total expenditures	\$ 11,553,357	\$ 11,360,295	\$ 11,673,010	\$ 12,472,371	\$ 11,849,677	\$ 11,559,050	\$ 18,250,363	\$ 14,849,848	\$ 14,106,955	\$ 14,503,674
Excess of revenues over (under) expenditures	\$ 4,778,421	\$ 2,674,541	\$ 2,199,714	\$ 1,104,791	\$ 3,375,662	\$ 1,257,980	\$ (5,990,688)	\$ (2,198,461)	\$ (655,289)	\$ (3,742,081)
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	\$ -	\$ 4,195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Bond issuance costs	-	(4,192,644)	-	-	-	-	-	-	-	-
Premiums on GO debt issued	-	-	-	-	-	-	-	-	-	51,912
Transfers in	213,322	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
Transfers out	(318,322)	(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)
Gain/(Loss) on sales of assets held for resale	-	-	-	-	-	-	-	577,432	-	-
Total other financing sources (uses)	\$ (105,000)	\$ (52,644)	\$ (68,000)	\$ -	\$ 470,000	\$ 426,000	\$ 283,420	\$ 795,432	\$ 210,202	\$ 5,323,809
Net Change in fund balances	\$ 4,673,421	\$ 2,621,897	\$ 2,131,714	\$ 1,104,791	\$ 3,845,662	\$ 1,683,980	\$ (5,707,268)	\$ (1,403,029)	\$ (445,087)	\$ 1,581,728
Debt service as a percentage of noncapital expenditures	15.5%	19.8%	15.3%	16.1%	19.6%	20.9%	43.8%	26.2%	20.2%	17.7%

(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 Annual Comprehensive Financial Report

City of Prospect Heights

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30 th	Property	Income	Local Use	State Sales	Non-Home Rule Sales	Utility	Telecom	Motor Fuel	Hotel	Places for Eating	Other (1)	Total
2022	\$ 2,184,366	\$ 2,563,987	\$ 626,005	\$ 1,685,682	\$ 535,851	\$ 668,657	\$ 142,233	\$ 1,005,152	\$ 433,315	\$ 367,194	\$ 1,002,215	\$ 11,214,657
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

(1) Other includes Airport Sharing sales tax revenues with the Village of Wheeling

Data Source
The City of Prospect Heights Annual Comprehensive 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
2021 (1)	\$ 347,407,354	\$ 89,079,489	\$ 17,704,256	\$ -	\$ 454,191,099	0.380	\$ 1,363,937,234
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

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

(1) Information for FY 2021 was not available at time of report so prior informaton is best available.

Data Source

Cook County Tax Extension Office

City of Prospect Heights

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years***

Name of Taxing Entity/Levy Year	2021 (1)	2020	2019	2018	2017	2016	2015	2014	2013	2012
CITY DIRECT RATES										
Police Pension and Roads	0.380	0.380	0.402	0.443	0.433	0.434	0.486	0.486	0.498	0.319
TOTAL DIRECT RATES	0.380	0.380	0.402	0.443	0.433	0.486	0.486	0.498	0.319	0.162
OVERLAPPING RATES										
County of Cook	0.453	0.453	0.454	0.489	0.496	0.533	0.552	0.568	0.560	0.531
Forest Preserve District of Cook County	0.058	0.058	0.059	0.060	0.062	0.063	0.069	0.069	0.069	0.063
Metropolitan Water Reclamation District Consolidated Elections	0.378	0.378	0.389	0.040	0.402	0.406	0.426	0.430	0.417	0.370
Northfield Township - General	0.022	0.022	0.021	0.024	0.023	0.024	0.028	0.032	0.031	0.024
Northfield Township - General Assistance	0.007	0.007	0.007	0.007	0.006	0.006	0.007	0.007	0.008	0.009
Northfield Township - Road & Bridge	0.049	0.049	0.048	0.052	0.049	0.049	0.057	0.054	0.053	0.046
Wheeling Township - General	0.037	0.037	0.038	0.043	0.043	0.041	0.055	0.052	0.056	0.052
Wheeling Township - General Assistance	0.008	0.008	0.008	0.009	0.009	0.008	0.010	0.010	0.010	0.009
Wheeling Township - Road & Bridge	0.013	0.013	0.014	0.016	0.015	0.014	0.020	0.019	0.019	0.016
Northfield Woods Sanitary District	0.084	0.084	0.082	0.093	0.065	0.088	0.098	0.099	0.098	0.082
Old Town Sanitary District			-	-	-	-	-	0.028	0.028	0.023
Northwest Mosquito Abatement District	0.010	0.010	0.010	0.011	0.010	0.010	0.011	0.013	0.013	0.011
Arlington Heights Township High School #214	2.382	2.382	2.356	2.669	2.563	2.527	2.881	2.776	2.768	2.324
Northfield Township High School #225	2.084	2.084	2.006	2.216	2.102	2.106	2.493	2.367	2.341	2.028
Harper Community College District #512	0.409	0.409	0.403	0.443	0.425	0.416	0.466	0.451	0.444	0.373
Oakton Community College District #535	0.227	0.227	0.221	0.246	0.232	0.231	0.271	0.258	0.256	0.219
Arlington Heights Park District	0.469	0.469	0.457	0.514	0.494	0.488	0.626	0.636	0.633	0.545
Prospect Heights Park District	0.777	0.777	0.751	0.817	0.784	0.770	0.912	0.884	0.856	0.746
River Trails Park District	0.637	0.637	0.626	0.708	0.681	0.665	0.769	0.748	0.747	0.632
Wheeling Park District	0.783	0.783	0.778	0.880	0.842	0.829	0.924	0.890	0.899	0.738
Prospect Heights Public Library District	0.526	0.526	0.525	0.572	0.547	0.545	0.621	0.597	0.599	0.489
Indian Trails Public Library District	0.458	0.458	0.446	0.493	0.481	0.476	0.534	0.529	0.504	0.463
Northbrook Rural Fire Protection District	0.659	0.659	0.629	0.730	0.703	0.690	0.800	0.800	0.800	0.700
Prospect Heights Fire Protection District	1.004	1.004	0.969	1.057	1.018	0.979	1.148	1.102	1.091	0.934
Glenbrook Fire District	0.672	0.672	0.652	0.761	0.726	0.720	0.815	0.796	0.788	0.713
City of Prospect Heights:										
Special Service Area #1	-	-	-	-	-	0.291	0.035	0.035	0.035	0.035
Special Service Area #2	-	-	-	-	-	0.783	0.930	0.911	0.930	0.895
Special Service Area #3	-	-	-	-	-	0.101	0.119	0.107	0.098	0.078
Special Service Area #4	-	-	-	-	-	0.852	0.910	0.909	0.831	0.664
Special Service Area #5	0.040	0.040	0.049	0.062	0.061	0.142	0.018	0.018	0.018	0.012
Special Service Area #6	1.215	1.215	1.147	1.261	1.326	1.328	1.511	1.449	1.434	1.174
Special Service Area #8	0.393	0.393	0.518	0.622	0.593	0.979	1.105	1.072	1.079	0.847
School District #21 - Wheeling	4.683	4.683	4.691	5.276	5.022	4.966	5.642	5.430	4.841	4.556
School District #23 - Prospect Heights	3.416	3.416	3.312	3.595	3.479	3.404	4.062	3.922	3.932	3.273
School District #25 - Arlington Heights	3.334	3.334	3.246	3.617	3.488	3.424	3.990	3.678	3.659	3.416
School District #26 - River Trails	3.991	3.991	3.916	4.365	4.198	4.140	4.742	3.873	3.873	3.873
School District #31 - West Northfield	2.672	2.672	2.577	2.842	2.700	2.699	3.107	2.911	2.946	2.525

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

(1) Information for FY 2021 was not available at time of report so prior year information is best available.

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, 2022 (1)		
	2021 Taxable Assessed Value	Rank	Percentage of Total 2021 Taxable Assessed Value
Briarwood Lakes LP	\$ 11,558,632	1	2.54%
CR Congress LLC	10,285,044	2	2.26%
Conor Globe	8,300,255	3	1.83%
Individual	8,131,462	4	1.79%
Palwaukee Equities LLC	5,541,460	5	1.22%
Dimensions Living PH	4,030,343	6	0.89%
Greenbrier of Prospect Heights	3,750,532	7	0.83%
Voss Bros	2,735,967	8	0.60%
Landmark Infrastructur	2,725,997	9	0.60%
Palwaukee Hospitality	2,532,616	10	0.56%
Costa Construction Inc.	-		0.00%
Signature Flight	-		0.00%
Jones Lang Lasalle	-		0.00%
Radler Group, Inc.	-		0.00%
Bays Northbrook Hosp C	-		0.00%
HCP Inc.	-		0.00%
Total assessed valuation	<u>\$ 59,592,308</u>		<u>13.12%</u>
Total equalized assessed valuation	<u>\$ 454,191,099</u>		

Taxpayer	At Fiscal Year End April 30, 2013		
	2013 Taxable Assessed Value	Rank	Percentage of Total 2013 Taxable Assessed Value
Jones Lang Lasalle	\$ 2,851,995	1	0.86%
Briarwood Lakes LP	2,674,995	2	0.81%
Bays Northbrook Hosp C	2,270,863	3	0.68%
CR Congress LLC	1,902,457	4	0.57%
Palwaukee Equities LLC	1,827,255	5	0.55%
HCP Inc.	1,130,114	6	0.34%
Voss Bros	916,248	7	0.28%
Signature Flight	751,250	8	0.23%
Radler Group, Inc.	602,510	9	0.18%
Costa Construction Inc.	553,302	10	0.17%
Conor Globe	-		0.00%
Individual	-		0.00%
Dimensions Living PH	-		0.00%
Greenbrier of Prospect Heights	-		0.00%
Landmark Infrastructur	-		0.00%
Palwaukee Hospitality	-		0.00%
Total assessed valuation	<u>\$ 15,480,989</u>		<u>4.67%</u>
Total equalized assessed valuation	<u>\$ 331,710,999</u>		

(1) Information for FY 2021 was not available at time of report so prior year information is best available.

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 2020 EAV is the most current available.

City of Prospect Heights

SALES TAX BY CATEGORY
Last Ten Calendar Years ⁽¹⁾

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General merchandise ⁽²⁾	\$ 13,904	\$ 12,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	582,588	589,135	485,924	461,254	426,406	293,489	267,897	357,378	144,027	133,768
Drinking and eating places	191,912	119,617	182,111	201,661	191,882	184,738	178,967	184,757	174,266	154,219
Apparel	6,522	1,904	-	1,845	2,152	-	2,045	-	-	6,416
Furniture and H.H. and radio	21,712	17,923	18,401	19,572	23,216	18,627	23,547	21,462	24,330	26,104
Lumber, building, hardware ⁽²⁾	8,939	9,660	12,953	13,411	13,742	14,704	11,008	10,290	11,654	10,028
Automobile and filling stations	202,681	148,293	149,248	137,502	113,645	112,460	120,164	150,517	114,943	94,981
Drugs and miscellaneous retail	472,568	199,053	195,732	194,850	193,722	194,775	177,608	174,312	202,437	216,589
Agriculture and all others	98,345	64,218	103,112	96,156	89,748	81,475	64,376	54,980	56,541	51,254
Manufacturers ⁽²⁾	7,099	1,913	2,115	-	-	2,134	-	1,889	6,486	-
Unclassified ⁽²⁾	-	-	12,081	14,505	18,320	13,029	14,083	14,534	18,710	18,075
TOTAL	\$ 1,606,271	\$ 1,164,628	\$ 1,161,679	\$ 1,140,756	\$ 1,072,834	\$ 915,431	\$ 859,695	\$ 970,118	\$ 753,394	\$ 711,434
CITY'S DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
NUMBER OF TAXPAYERS	1,919	329	337	346	323	323	344	286	288	292

Notes:

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

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

Data Source

Illinois Department of Revenue

City of Prospect Heights

DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Fiscal Years

Fiscal Year Ended April 30th	City Direct Rate	City Non-Home Rule Rate ⁽¹⁾	State of Illinois Rate	Cook County Rate	Regional Transportation Authority Rate	Total Sales Tax Rate
2022	1.00	0.50	6.25	1.75	1.00	10.50
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

Notes:

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

Data Source

Illinois Department of Revenue

City of Prospect Heights

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years**

Fiscal Year Ended April 30th	Levy Year	Total Tax Levy Extended	Collections received from the Tax Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2022	2021 (1)(2)	\$ 2,337,145	\$ 1,112,662	47.6	-	\$ 1,112,519	47.6
2021	2020	2,126,846	1,908,851	89.8	-	1,908,851	89.8
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

(1) Levy year 2021 reflects first installment only.

(2) Information for FY 2021 was not available at time of report so information from the Levy Edit Reports were used.

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	2021 (1)(2)	2020	2019	2018	2017	2016	2015	2014	2013	2012
City-wide - Police pension	\$ 215,574	\$ 372,229	\$ 363,605	\$ 348,709	\$ 342,138	\$ 332,225	\$ 309,233	\$ 285,061	\$ 278,360	\$ 273,548
Road Bonds	684,352	1,169,817	1,336,038	1,312,347	1,322,420	1,325,081	1,323,904	1,325,864	1,333,510	973,048
Special services area #1	-	-	-	-	-	-	27,240	27,139	27,236	33,955
Special services area #2	-	-	-	-	-	42,257	41,972	43,907	42,772	51,050
Special services area #3	-	-	-	-	-	25,622	24,614	22,709	20,435	20,516
Special services area #4	-	-	-	-	-	42,848	40,988	41,158	37,884	35,822
Special services area #5	14,805	26,774	25,962	25,046	25,596	61,950	61,660	6,209	5,612	5,225
Special services area #6	124,295	217,951	221,808	222,732	244,593	246,095	245,840	248,715	245,125	243,677
Special services area #8	73,636	122,080	95,823	127,884	125,728	219,148	213,925	208,072	198,009	203,459
Total collections to date	\$ 1,112,662	\$ 1,908,851	\$ 2,043,236	\$ 2,036,718	\$ 2,060,475	\$ 2,295,226	\$ 2,289,376	\$ 2,208,834	\$ 2,188,943	\$ 1,840,300
Levy as extended	\$ 2,337,145	\$ 2,126,846	\$ 2,134,786	\$ 2,122,828	\$ 2,122,428	\$ 2,352,436	\$ 2,350,877	\$ 2,275,959	\$ 2,239,415	\$ 1,867,308
Percent collected	47.6%	89.8%	95.7%	95.9%	97.1%	97.6%	97.4%	97.1%	97.7%	98.6%

(1) Levy year 2021 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 th	Governmental Activities					Business-Type Activities	Total City	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Tax Increment Notes Payable	Installment Contract Payable	Special Service Area Bonds	Note Payable	General Obligation Bonds			
2022	\$ 6,590,116	\$ -	\$ -	\$ 1,340,000	\$ -	\$ 215,000	\$ 8,145,116	1.31	519.09
2021	7,861,688	-	-	1,510,000	-	280,000	9,651,688	1.65	607.52
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

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

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

Data Source

The City of Prospect Heights 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 ⁽¹⁾	Per Capita ⁽²⁾
2022	\$ 6,805,116	\$ 825,819	\$ 5,979,297	0.44	381.07
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

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, 2022

<u>Governmental Unit</u> (Debt repaid with property taxes)	2021 (5) Valuation	2021 (5) Assessed Value in City	General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Taxing Authority:					
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
Others:					
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
School Districts:					
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>
Direct Debt:					
City of Prospect Heights	435,030,143	435,030,143	7,930,116 (4)	100.000%	<u>7,930,116</u>
Total Direct and Overlapping General Obligation Bonded Debt					<u><u>\$ 45,080,050</u></u>

(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.

(5) Information for FY 2021 tax year was not available at time of report so prior year information is best available.

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

<u>Legal debt margin calculation for period ending April 30, 2022</u>										
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	2021 (2) 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013
Assessed value ⁽¹⁾	\$ 454,191,099	\$ 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
Debt limit	39,173,982	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
Total net debt applicable to limit	6,805,116	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
Legal debt margin	\$ 32,368,866	\$ 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
Total net debt applicable to the limit as a percentage of debt limit	17.37%	20.78%	25.17%	31.70%	34.97%	38.89%	50.14%	68.51%	76.84%	65.90%

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.

(2) Information for FY 2021 levy year was not available at time of report so prior year information is best available.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights
PLEGGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year Ended April 30th	Tax Increment Allocation Notes, Series 2004						Coverage
	Incremental Property Taxes and Other	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2022	\$ -	\$ -	\$ -	\$ -	\$ -	NA	
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	

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

Calendar Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2022	15,691	620,327,994	\$ 39,534	4.5
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

Data Sources

(1) U.S. Census Bureau.

(2) U.S. Census Bureau, Per capita money income in past 12 months (2020 dollars) 2016-2020

(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, 2022				
Employer	Business/Service	Employees	Percent of Total	Rank
School District Number 23	Elementary Public Schools	205	2.39%	1
Hilton Hotel and Allgauer's Restaurant	Hotel and Restaurant	150	1.75%	2
Tony's Fresh Market	Retail Grocery Store	150	1.75%	3
Prospect Heights Park District	Parks and Recreation	120	* 1.40%	4
Terrance Electric	Electrical Power, Lighting, and Techni	85	0.99%	5
Crowne Plaza (Chicago 2875 LLC)	Hotel and Restaurant	75	0.87%	6
Labor Solutions, LLC	Company Headquarters and Employ	45	0.52%	7
Prospect Heights Public Library	Public Library	44	0.51%	8
City of Prospect Heights	Municipal Government (FTE)	42	0.49%	9
Prospect Heights Fire Protection District	Fire Protection	35	0.41%	10
Total		<u>951</u>	<u>11.09%</u>	

Fiscal Year Ended April 30, 2013				
Employer	Business/Service	Employees	Percent of Total	Rank
School District Number 23	Elementary public schools	203	* N/A	1
Prospect Heights Park District	Public parks, recreation	161	* N/A	2
Hilton Hotel and Allgauer's Restaurant	Hotel and restaurant	154	* N/A	3
Crowne Plaza	Hotel and restaurant	130	* N/A	4
Emeritus Senior Living	Long Term Care Facilities	103	* N/A	5
Channel Integration, LLC	Business Consultants	70	* N/A	6
Terrance Electric & Technology	Commercial & industrial printing	63	* N/A	7
Prospect Heights Fire Protection Dist.	Fire Protection	58	* N/A	8
City of Prospect Heights	Municipal government	48	* N/A	9
Prospect Heights Public Library	Public library	43	* N/A	10
Total		<u>1,033</u>	<u>N/A</u>	

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

Data Sources

(1) The U.S. Bureau of the Census, American Community Survey, 2016 to 2020 estimates reports that there were 8,573 persons employed in the City.

(2) 2022 Illinois Services Directory and the 2022 Illinois Manufacturers Directory and a selective telephone survey.

City of Prospect Heights

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

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
GENERAL GOVERNMENT										
Administration	3.50	3.50	3.50	3.50	3.50	2.00	3.50	1.25	3.00	3.00
Finance	-	-	-	-	-	1.00	1.50	1.25	1.50	1.50
Building and Zoning	4.00	4.00	4.00	4.00	4.00	2.50	3.00	2.50	3.50	3.50
Engineering	-	-	-	-	-	1.00	-	0.50	0.50	0.50
PUBLIC SAFETY										
Police Sworn	23.00	23.00	23.00	22.00	23.00	24.00	27.00	27.00	27.00	26.00
Police Civilian	3.00	4.00	4.00	3.00	4.00	1.00	4.00	4.00	3.50	3.00
PUBLIC WORKS										
Administration	1.00	1.00	1.00	1.00	1.00	0.50	2.00	2.00	1.00	1.00
Streets and Sewers	1.00	1.00	1.00	1.00	2.00	1.90	2.00	2.00	2.00	2.00
Forestry	-	-	-	-	-	1.50	-	-	-	-
Drainage	1.00	1.00	1.00	1.00	1.00	1.50	1.00	1.00	1.00	1.00
Building Maintenance	1.00	1.00	1.00	1.00	1.00	-	1.00	-	-	-
Vehicle Maintenance	1.00	1.00	1.00	1.00	-	1.10	1.00	1.00	1.00	1.00
Water	1.25	1.25	1.25	1.25	1.25	1.00	1.50	1.50	1.50	1.50
Sanitary Sewer	1.25	1.25	1.25	1.25	0.25	-	0.50	-	-	-
CONVENTION & VISITORS BUREAU										
	-	-	-	-	-	5.00	-	-	-	-
Total	41.00	42.00	42.00	40.00	41.00	44.00	48.00	44.00	45.50	44.00

Data Source

City of Prospect Heights Actual Payroll Fiscal Year End

City of Prospect Heights

OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Number of calls	4,891	4,867	5,149	5,598	5,438	5,484	5,447	5,816	5,597	5,409
Part One Offenses ⁽¹⁾	399	139	101	145	122	138	106	176	178	188
Part Two Offenses ⁽²⁾	148	675	475	443	521	586	652	737	740	723
Part One Arrests ⁽¹⁾	93	34	28	34	33	61	41	30	34	39
Part Two Arrests ⁽²⁾	72	275	367	378	475	658	745	431	456	442
Auto Accident investigations	438	155	366	399	423	407	389	377	333	315
Building & Zoning ⁽³⁾										
Building permits issued (residential and commercial)	553	708	516	638	791	834	559	471	457	351
Value of all construction permits issued	\$ 13,431,554	\$ 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
Plan reviews	659	669	595	595	819	880	796	503	748	727
Building inspections	1,342	1,144	1,562	1,501	2,016	1,294	946	743	777	744
Rental dwelling inspections	2,303	1,569	1,554	1,681	2,363	1,682	1,397	1,599	1,457	1,132
Health inspections	233	134	158	219	152	192	87	142	261	285
Engineering										
Right-of-way permits reviewed	21	27	39	22	15	14	27	32	31	47
Subdivision reviews (number)		2	-	1	3	3	-	-	-	1
Road program/street reconstruction (linear feet)	-	-	-	-	-	-	-	-	-	32,090
Road program/resurfacing (linear feet)	-	-	550	13,400	-	4,700	-	-	48,568	17,057
Public works - general										
Streets cold patching (in tons)	10	6	4	6	9	5	6	3	10	8
Streets resurfaced (square yards)	700	-	-	-	-	-	-	-	110,550	137,901
Streets cleaned (miles)	4.00	4.00	5.00	6.00	6.00	4.00	21.00	20.33	21.40	20.30
Snow plowing/salting (hours)	620	878	495	670	7	540	552	835	1,810	1,074
Storm sewers repaired & cleaned (linear feet)	1,500	4,200	3,500	2,700	3,250	8,200	2,162	2,720	5,294	4,562
Service requests (residential and intra-city)	2,400	2,100	2,150	2,080	2,210	2,150	2,244	2,118	2,317	2,106
JULIE utility locates	2,636	2,109	2,294	2,726	3,246	3,046	3,718	2,680	2,571	2,463
Parkway trees planted	12	5	6	7	3	2	37	34	28	-
Public works - Water										
Gallons of water billed (in thousands)	43,153	52,547	42,197	43,205	41,600	43,889	43,889	43,889	44,290	47,596
Main break repairs	1	2	5	1	2	1	1	5	-	-
Meters replaced	10	14	15	7	1	-	-	-	-	2
Services initiated	-	-	1	-	-	2	2	-	1	16

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Patrol units	17	17	17	17	17	18	18	18	18	14
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00
Sidewalks (miles)	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.73	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	44.70	8.35	8.35	8.35
Storm sewer lift stations	3	3	3	3	3	3	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
Water										
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	2	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.