

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the Year Ended April 30, 2013



Prepared by the Finance Department

Thomas F. Kuehne, Finance Director/Treasurer
Mary Juarez, Assistant Finance Director
Michael Luciani, Accounting Manager

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials.....	i
Table of Organization.....	ii
Certificate of Achievement for Excellence in Financial Reporting	iii
Letter of Transmittal.....	iv-viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis	MD&A 1-12
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4-5
Statement of Activities	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet	8-9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	10
Statement of Revenues, Expenditures and Changes in Fund Balances	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	12

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Statement of Cash Flows	15-16

Fiduciary Funds

Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18

Notes to Financial Statements	19-71
-------------------------------------	-------

Required Supplementary Information

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

General Fund	72
--------------------	----

Schedule of Funding Progress and Employer Contributions

Illinois Municipal Retirement Fund	73
Police Pension Fund	74
Firefighters' Pension Fund	75
Other Postemployment Benefits Plan	76
Other Postemployment Benefits Plan - Arlington Heights Memorial Library ...	77

Notes to Required Supplementary Information	78-79
---	-------

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

General Fund	
Balance Sheet	80
Schedule of Revenues - Budget and Actual.....	81-83
Schedule of Expenditures - Budget and Actual	84
Schedule of Detailed Expenditures - Budget and Actual	85-87
Debt Service Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	88
Capital Projects Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	89

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	90-92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	93-95
Special Revenue Funds	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund	96
Community Development Block Grant Fund	97
Fire Academy Fund.....	98
Foreign Fire Insurance Fund	99
Criminal Investigations Fund.....	100
Municipal Parking Operations Fund.....	101
TIF I South Fund	102
TIF II North Fund.....	103
TIF III Fund	104
TIF IV Fund.....	105
TIF V Fund.....	106

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES (Continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Capital Projects Funds

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

Flood Control Phase V Fund	107
Public Building Fund.....	108
Emerald Ash Borer Fund.....	109

MAJOR ENTERPRISE FUND

Statement of Net Position - Water and Sewer Fund.....	110
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Water and Sewer Fund.....	111
Schedule of Operating Expenses - Budget and Actual - Water and Sewer Fund	112-114

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position - Nonmajor Proprietary Funds	115
Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Proprietary Funds.....	116
Combining Statement of Cash Flows - Nonmajor Proprietary Funds	117-118
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual Solid Waste Disposal Fund	119
Arts, Entertainment & Events Fund.....	120

INTERNAL SERVICE FUNDS

Combining Statement of Net Position	121-122
Combining Statement of Revenues, Expenses and Changes in Net Position.....	123-126
Combining Statement of Cash Flows	127-128
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual Health and Life Insurance Fund	129
Retiree Health Insurance Fund.....	130
General Liability Insurance Fund.....	131
Workers' Compensation Fund	132
Fleet Operations Fund	133

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES (Continued)

INTERNAL SERVICE FUNDS (Continued)

Schedule of Operating Expenses - Budget and Actual - Fleet Operations Fund	134-135
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual - Technology Fund.....	136

FIDUCIARY FUNDS

Combining Statement of Net Position	137-138
---	---------

PENSION TRUST FUNDS

Combining Statement of Changes in Net Position	139
Schedule of Changes in Net Position - Budget and Actual Police Pension Fund.....	140
Firefighters' Pension Fund.....	141

AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities	142-143
--	---------

SUPPLEMENTAL DATA

Long-Term Debt Requirements	
General Obligation Refunding Bonds, Series 2003A.....	144
General Obligation Refunding Bonds, Series 2003B.....	145
General Obligation Bonds, Series 2004.....	146
General Obligation Bonds, Series 2005.....	147
General Obligation Bonds, Series 2006.....	148
General Obligation Refunding Bonds, Series 2006A.....	149
General Obligation Refunding Bonds, Series 2009A.....	150
General Obligation Refunding Bonds, Series 2009B.....	151
General Obligation Refunding Bonds, Series 2010.....	152
General Obligation Refunding Bonds, Series 2011.....	153
General Obligation Refunding Bonds, Series 2012A.....	154

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
 STATISTICAL SECTION 	
Financial Trends	
Net Position by Component	155-156
Change in Net Position	157-160
Fund Balances of Governmental Funds.....	161-162
Changes in Fund Balances of Governmental Funds	163-164
 Revenue Capacity	
Police Pension Fund - Tax Levies and Contributions	165
Firefighters' Pension Fund - Tax Levies and Contributions	166
Assessed Value and Actual Value of Taxable Property	167
Property Tax Rates - Direct and Overlapping Governments	168
Principal Property Taxpayers	169
Property Tax Levies and Collections	170
 Debt Capacity	
Ratios of Outstanding Debt by Type	171
Ratios of General Bonded Debt Outstanding	172
Direct and Overlapping Governmental Activities Debt	173
Schedule of Legal Debt Margin	174
Pledged-Revenue Coverage	175
 Demographic and Economic Information	
Demographic and Economic Information	176
Principal Employers	177
 Operating Information	
Full-Time Equivalent Village Government Employees by Function/Program	178
Operating Indicators	179
Capital Asset Statistics	180

INTRODUCTORY SECTION

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL OFFICERS

APRIL 30, 2013

VILLAGE BOARD

Arlene J. Mulder, Village President

Carol Blackwood

Thomas W. Hayes

Norman Breyer

Bert Rosenberg

Joseph C. Farwell

John Scaletta

Thomas Glasgow

Michael Sidor

ADMINISTRATION

Village Manager, Bill Dixon

Village Attorney Jack Siegel

Village Clerk..... Rebecca Hume

Assistant to the Village Manager..... Diana Mikula

Director of Human Resources..... Mary Rath

Assistant Village Attorney (General Counsel) Robin Ward

Finance Director/Treasurer Thomas F. Kuehne

Chief of Police Gerald Mourning

Fire Chief Glenn Ericksen

Director of Planning & Community Development..... Charles Witherington-Perkins

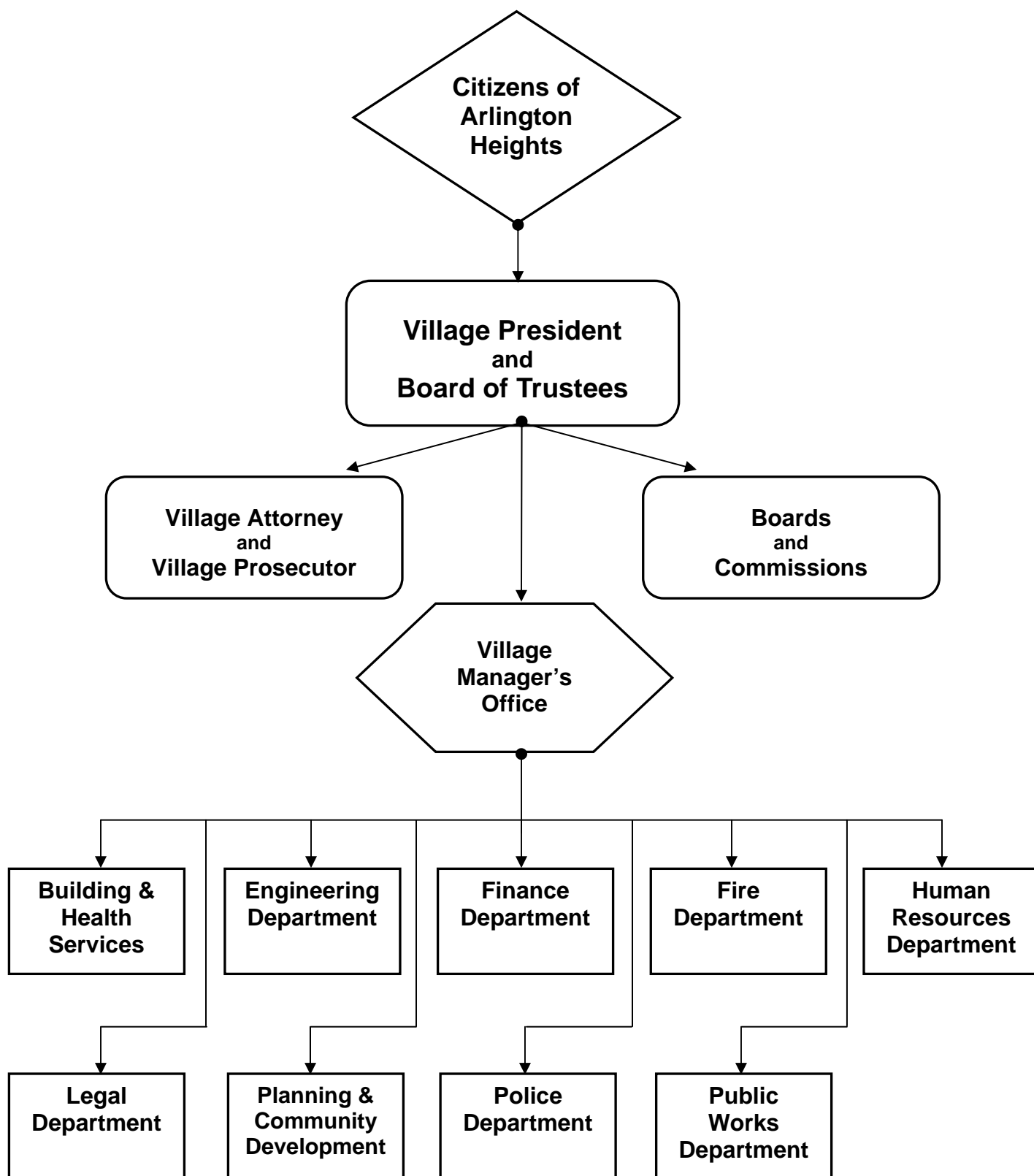
Director of Building & Health Services James McCalister

Director of Engineering Jim Massarelli

Public Works Director Scott Shirley

VILLAGE OF ARLINGTON HEIGHTS

ORGANIZATION STRUCTURE





Government Finance Officers Association

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

Presented to

**Village of Arlington Heights
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

Executive Director/CEO



Village of Arlington Heights

33 S. Arlington Heights Road
Arlington Heights, IL 60005-1499
(847-368-5000)
Website: www.vah.com

August 23, 2013

The President and Members
of the Board of Trustees and the
Village Manager of the
Village of Arlington Heights

The Comprehensive Annual Financial Report (CAFR) of the Village of Arlington Heights (Village) for the year ended April 30, 2013, is hereby submitted as required by the Illinois Compiled Statutes. State law requires that the Village issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and 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 Village of Arlington Heights. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Arlington Heights' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village'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 Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Arlington Heights for the fiscal year ended April 30, 2013, 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 auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Arlington Heights

The Village of Arlington Heights is located 25 miles northwest of the City of Chicago in Cook County, Illinois. It was incorporated in 1887. The Village's 2010 Census places the population at 75,101 and the Village has an area of approximately 16.6 square miles. It is a home rule community as defined by the Illinois Constitution. Arlington Heights is a very livable community with excellent schools, an outstanding park system, dependable village services, a diverse housing stock and easy access to the major expressways and O'Hare International Airport. There are 23,132 owner-occupied units and 7,319 rental units with considerable high-rise and multi-family residential development in and around the Downtown area.

The Village has a well-established reputation as a preeminent community located in the northwestern corridor of the Chicago metropolitan area. There is now relatively little undeveloped land in the Village. The Village's economic base is somewhat diversified with income and housing indices well above State levels. While primarily considered a residential community, there is a significant commercial base and a large retail sector. The Equalized Assessed Value of the property in the Village is split 71% residential and 29% commercial and industrial. Due to its healthy local economy, the Village of Arlington Heights has maintained a credit rating of Aa1 from Moody's Investor Service.

The Village operates under the Council/Manager form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a President and eight Trustees. The Village Board is responsible, among other things, for passing ordinances, adopting the budget, appointing members to Boards and Commissions and hiring the Village Manager, Village Attorney, and Prosecuting Attorney. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village and for appointing employees including the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected for four-year staggered terms with four Board members elected every two years. The President is elected to a four-year term. The President and Village Trustees are elected at large.

The Village provides a full range of general government services including public safety, community development, community services and public works, as well as construction and maintenance of the Village's infrastructure. In addition to the Village's general governmental activities, the Village provides water and sewer services, Senior Center, Health Services, and maintains several parking garages and surface parking lots.

As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. The decision to include a component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the Village. Based on this criterion, the CAFR includes the financial activity of the Arlington Heights Memorial Library as a discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the Village.

Long-Term Financial Planning and Major Initiatives

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund at the fiscal year end was 36.6% of total General Fund expenditures. This is within the minimum fund balance level established in the Village's financial performance goals. A statement of the financial performance goals is incorporated in the Village's annual budget. This statement includes goals for revenues, expenditures, reserves, investment performance, capital improvements, debt, and financial reporting.

On a biennial basis the Village Board completes a strategic plan which is included in the annual budget and helps guide the development of this document. The Village's annual budget and financial planning process begins with the preparation of a five-year capital improvement program and a separate three-year operating fund projection. These long-range planning documents project revenue and expense trends and allow the Village to anticipate structural budget concerns. The Village maintains dedicated revenue sources in its Capital Projects Fund to ensure that its capital infrastructure is maintained at a high level. An internal service fund, the Fleet Fund, is also funded through annual operating transfers from the effected departments based on a vehicle

depreciation schedule. The Village's current financial condition is healthy as the key operating funds, the General Fund and the Water & Sewer Fund, both have comfortable reserves.

The Village has retained a stable financial position, and the Village's General Fund ended with surpluses in FY2010, FY2011, FY2012 and FY2013. The Village's ongoing economic strength is demonstrated by new businesses that continue to open in the Village. These include the opening of the new Napleton Jeep Chrysler car dealership and numerous restaurants. Additional businesses are slated to open during FY2014. The former 400-room Sheraton Chicago Northwest Hotel just west of Arlington International Racecourse, closed in 2009 is now the site of a \$250 million multiuse redevelopment. The site will include luxury apartments in the closed Sheraton building, an expanded water park, restaurants and retail shops, and a new, smaller hotel. This new development is expected to be completed over the next couple of years.

The Village maintains a very aggressive economic development program. The components include business retention, business attraction, business assistance and special programs. This results in increased property and sales tax revenue, higher employment rates and a stable economic base. Arlington Heights also enjoys a thriving Downtown area, which contains a mix of multi-story housing, office space, restaurants, retailers, specialty stores and business services. Tax Increment Financing (TIF) Districts were instrumental in creating this vital commercial area and development activities are still occurring in the Downtown area.

The Village staff, following specific directives of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; these projects reflect the Village's commitment to ensuring that its citizens are able to live and work in a desirable environment. The most significant of these projects are discussed below:

- Over \$5.5 million was spent on the ongoing street resurfacing and street reconstruction programs.
- In excess of \$1 million was spent on water and sewer rehabilitation and replacement projects.
- Initiated construction on the \$3.9 million Northwest Highway/Davis Street/Arthur Avenue intersection improvement. The project involves the widening, resurfacing and channelization of roadways, traffic signal modernization and railroad grade crossing widening at the intersection. Federal Surface Transportation Program (STP) grant funding has been obtained for 50% of the right-of-way costs and 70% of the construction costs.
- Other significant projects include the replacement of the Police and Fire radio systems at a cost of \$348,000, as well as \$315,000 spent on sidewalk and curb replacement throughout the Village.
- In response to the invasion of the emerald ash borer (EAB) beetle the Village established an EAB Fund at the end of FY2012. The beetle is firmly established in the Village and is decimating the Village's parkway Ash trees which represent about one-third of the Village-owned tree inventory. The most cost effective way to deal with this issue is to remove and replace all of the Village's 13,000 parkway Ash trees over the next several years. The Village plans on using available capital funds to pay for the cost of this program.

Relevant Financial Policies

As noted above, the Village of Arlington Heights maintains a comprehensive list of financial performance goals. During the current year, one of these policies was particularly relevant. The Village has a policy that nonrecurring (i.e. "one-time") resource inflows not be used for operating purposes. The year end results for the General Fund were trending toward a significant surplus, due in part to one-time building and engineering fees associated with the new multi-use residential development near the Arlington Racecourse. The Village also received one-time revenue from the State of Illinois as the result of a state audit of telecommunication taxes due to the Village. At the end of the current fiscal year, one-time revenues in the General Fund were transferred to various capital funds to help cover future vehicle, street resurfacing, and other infrastructure costs.

Other Policies and Practices

Cash management policies and practices – Cash temporarily idle during the year was invested in money market funds, certificates of deposit, the Illinois Metropolitan Investment Fund (IMET) and the Illinois State Treasurer's pool (Illinois Funds). The maturities of the investments range from being immediately accessible (Illinois Funds) to two to three years (IMET). The maximum maturity for the certificates of deposit is 1 1/2 years. The average yield on investments was .35% for the Village, and actuarial yields as of May 1, 2012 of 7.8% for the Police Pension Fund, and 9.7% for the Firefighters' Pension Fund. The public safety pension funds can usually earn a higher rate of interest because their investment term is longer and they are permitted to invest a portion of their monies in equities. However, annual Police and Fire pension fund losses or gains are smoothed over a three year period. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the Village intends to hold to maturity. Investments are made in accordance with State statutes and Village policy. The Village Board adopted an Investment Policy covering all funds it governs on September 21, 1999. Police and Firefighters' pension funds are covered by separate policies because these funds are governed by separate boards.

Risk management – The Village participates in a self-insurance pool consisting of 13 area municipalities for excess liability protection, which provides \$11 million of coverage over a \$2,000,000 self-insured retention. The Village also purchased an excess liability policy that provides \$1 million of coverage, lowering our self-insured retention to \$1 million. In addition, the Village self-insures for workers' compensation up to \$750,000 per occurrence, and purchases an excess workers' compensation policy to cover claims above this amount.

The Village offers to its employees four basic types of health insurance plans: a conventional HMO plan, a Blue Advantage HMO plan comprised of a smaller, more localized network, a self-insured PPO plan and a high deductible PPO plan both administered by a third party. All of the Village's health plan options are offered to retirees who pay their insurance premiums in full. The Village is protected from catastrophic losses in the self-insured plan through the purchase of a stop-loss insurance policy. One of the functions of the Village's risk management operation is to organize various health and safety programs to minimize insurance related losses.

Pension and other post employment benefits – The Village's sworn police officers participate in the Police Pension Employees Retirement System (PPERS), which is a single employer, defined benefit plan governed by a five-member pension board. The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS), which is a single employer, defined benefit plan governed by a five-member pension board. The defined benefits and employee contribution levels of both pension funds are governed by Illinois State statutes. The Village is authorized to approve the actuarial assumptions used to determine employer contribution levels. The most recent actuarial valuation as of May 1, 2012 reflects funding levels of 71% for the Police Pension Fund and 62% for the Firefighters' Pension Fund.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. The actuarial valuation for the Village's portion of IMRF as of December 31, 2012 reflects a funding level of 68%. It should be noted that the IMRF's funding level is just for the Village's active IMRF participants as IMRF retirees pensions are 100% funded. Additional information on the Village's pension arrangements can be found in Note #14 in the financial statements.

Awards and acknowledgements - The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2012. This was the twenty-third consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation especially to Mary Juarez, Assistant Finance Director and all other members of the Department who assisted and contributed to the preparation of this report. Credit also must be given to the Village Board and Village Manager for their unfailing support in maintaining the highest standards of professionalism in the management of the Village of Arlington Heights' finances.

Respectfully submitted,

A handwritten signature in black ink, reading "Thomas F. Kuehne". The signature is written in a cursive, flowing style.

Thomas F. Kuehne
Finance Director/Treasurer

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Arlington Heights
Arlington Heights, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois, as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Village of Arlington Heights, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Village adopted Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended April 30, 2013. Statement No. 63 added new classifications on the statements of net position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of net position to the new classifications contained in GASB Statement No. 63; our opinions are not modified with respect to this matter.

Other Matters

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Arlington Heights, Illinois' basic financial statements. The combining and individual fund financial statements and the financial information listed as schedules and supplemental data in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, the schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village of Arlington Heights, Illinois' basic financial statements for the year ended April 30, 2012, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Arlington Heights, Illinois' basic financial statements as a whole. The individual fund financial statements and schedules, related to the 2012 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2012 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2013 on our consideration of the Village of Arlington Heights, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 the Village of Arlington Heights, Illinois' internal control over financial reporting and compliance.

Naperville, Illinois
August 23, 2013

A handwritten signature in black ink, appearing to read "Sibich LLP". The signature is written in a cursive, flowing style with large, connected letters.

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

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

Since 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 (beginning on Page iv) and the Village's financial statements (beginning on Page 4).

Financial Highlights

- The Village's total net position increased by \$7.3 million or 3.2% during the fiscal year ending April 30, 2013. The governmental net position increased by \$8.2 million and the business-type activities net position decreased by \$900,000.
- The Village's combined Governmental Funds ending fund balance increased \$3.6 million as of April 30, 2013.
- At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$22,973,044 or 36.6% of General Fund expenditures.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statement's focus is on both the Village 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 Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see Pages 4-7) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see Pages 6-7) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, fire, planning and community development, engineering, building and health services, public works and administration. Property taxes, shared State sales, local utility and shared State income, home rule sales and food and beverage taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water & Sewer Fund and Solid Waste Disposal Fund), where the fee for service typically covers all or most of the cost of operations, including depreciation.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 Fund Financial Statements allow the demonstration of source and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

The Governmental Major Fund presentation (see Pages 8-9 and 11) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clean and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Village maintains 19 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, Debt Service and Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The Village maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in Business-Type Activities in the Government-Wide Financial Statements. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its fleet operations, self-insurance and technology programs.

Proprietary Fund Financial Statements (see Pages 13-16) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water & Sewer Fund is considered a major fund of the Village and is presented in a separate column in the Proprietary Fund Financial Statements. The Solid Waste Disposal Fund is the Village's only non-major enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Funds is presented elsewhere in the report.

Fiduciary Funds

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension Fund, Firefighters' Pension Fund and Agency Funds, see Pages 17-18). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Statements.

While the Business-type Activities column on the Proprietary Fund Financial Statements is the same as the Business-type column at the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see Pages 10 and 12). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements). The reconciliation also includes the Internal Service Funds' activities given that the Internal Service Funds serve primarily the Governmental Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on Pages 19-71 of this report.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Pages 72-79 of this report. The combining and individual fund statements for the governmental, enterprise and internal service funds are presented on Pages 80-143 of this report, immediately following the required supplementary information.

Infrastructure Assets

The Village depreciates its assets (infrastructure – roads, bridges, storm sewers, etc.) over their useful life. If a road project is considered a recurring cost that does not extend the road's original useful life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position increased by \$7.3 million from FY2012, increasing from \$230.2 million to \$237.5 million. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities increased by \$8.2 million from \$174.7 million to \$182.9 million. The business-type activities net position decreased by \$900,000 from \$55.5 million to \$54.6 million. Table 1 reflects the condensed Statement of Net Position compared to FY2012. Table 2 focuses on the changes in net position of the governmental and business-type activities.

Table 1: Statement of Net Position as of April 30, 2013
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Assets						
Current & Other Assets	112.4	108.5	24.2	24.1	136.6	132.6
Capital Assets	167.9	169.4	31.5	32.8	199.4	202.2
Total Assets	\$280.3	\$277.9	\$55.7	\$56.9	\$336.0	\$334.8
Deferred Outflows of Resources	\$1.6	--	--	--	\$1.6	--
Liabilities						
Current Liabilities	10.6	41.6	0.5	0.8	11.1	42.4
Long-Term Liabilities	57.0	61.6	0.6	0.6	57.6	62.2
Total Liabilities	\$67.6	\$103.2	\$1.1	\$1.4	\$68.7	\$104.6
Deferred Inflows of Resources	\$31.4	--	--	--	\$31.4	--
Net Position						
Invested in Capital Assets, Net of Related Debt	121.1	116.9	31.4	32.8	152.5	149.7
Restricted	17.6	16.3	--	--	17.6	16.3
Unrestricted	44.2	41.5	23.2	22.7	67.4	64.2
Total Net Position	\$182.9	\$174.7	\$54.6	\$55.5	\$237.5	\$230.2

For more detailed information see the Statement of Net Position (Page 4-5).

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Normal Impacts on Net Position

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

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

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not change the invested in capital assets, net of related debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase invested in capital assets, net of related debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase invested in capital assets, net of related debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of related debt.

Current Year Impacts on Net Position

The Village's \$7.3 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$8.2 million and the business-type activities net position decreasing \$900,000. The governmental activities total assets and deferred outflow of resources increased by \$4 million and the governmental activities total liabilities and deferred inflows of resources decreased by \$4.2 million.

The governmental activities total assets increase of \$2.4 million is due to a \$3.9 million increase in current and other assets, netted against a \$1.5 million decrease in capital assets as the Village's public buildings are depreciated over time. The governmental activities cash position increased by about \$4.8 million due to revenues coming in higher than expenses for the fiscal year. The General Fund and Debt Service Fund property tax receivables show an increase of about \$700,000 over the prior period, but this is offset by a decrease in receivables from other taxes of about \$1.7 million. The amount due from fiduciary funds to the General Fund increased by only \$168,000 as of the end of FY2013, due to a small increase in deferred property taxes for the Police and Fire Pension Funds.

The new reporting of deferred outflows of resources, deferred inflows of resources, and net position was promulgated by GASB Statement No. 63. This pronouncement by the Government Accounting Standards Board provides guidance on reporting of the consumption of net position by the government that is applicable to a future reporting period (deferred outflows), and the acquisition of net position that is applicable to a future reporting period (deferred inflows). The deferred outflows reported by the Village, reflects a deferred charge on a bond refunding. The principal issued for bonds that are refunded or defeased prior to their call date is typically greater than the amount refunded, to account for proceeds that are escrowed to pay for future principal and interest payments due on this portion of the debt.

The large decrease in total liabilities is attributable to reclassifying \$31.4 million from unearned revenue to deferred inflows of resources. This represents the 2012 property tax levy and property tax increment monies from the Village's tax increment financing districts that were levied during FY2013, but are now reported as deferred inflows of resources which reflect unavailable revenue from property taxes. At the start of FY2014 these property tax receipts will become available and be classified as revenue at that time. The decrease in long-term liabilities is due primarily to the reduction in the Village's total bond indebtedness by \$4.1 million. The Village's net pension obligation also decreased by nearly \$1 million, due in large part to the Village paying off the \$644,000 net pension obligation (NPO) for the Illinois Municipal Retirement Fund (IMRF).

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Village's other post-employment benefits (OPEB) obligation increased by about \$200,000. As required by the Governmental Accounting Standards Board (GASB) Statement No. 45, the Village must recognize liabilities associated with explicit and implicit post-employment benefits. The only explicit OPEB offered by the Village is 100% life-time health insurance coverage for public safety officers disabled on the job as was recently mandated by the State. The Village's implicit OPEB liability arises from implicit rate subsidies under which health care premiums are typically based on a blended premium for active employees and retirees. Under the Village's current benefit package, retirees can participate in the Village's health care plan, but must pay 100% of the premium. However, as retiree costs are actuarially more significant than active employee's health care costs, the Village implicitly subsidizes the retiree rates. On a bi-annual basis, the Village must hire an actuary to calculate the value of the explicit OPEB cost and implicit subsidy.

The total assets of the business-type activities decreased by \$1.2 million from \$56.9 million to \$55.7 million. This was due to a \$.1 million increase in current assets offset by a \$1.3 million decrease in capital assets. Capital assets decreased due to depreciation on existing water and sewer buildings and infrastructure that exceeded current year infrastructure additions. Total liabilities of business-type activities decreased slightly from year to year.

Changes in Net Position

The Village's combined change in net position increased by \$1.4 million, from a \$5.9 million increase to a \$7.3 million increase in FY2013. The Village's total revenue increased by \$3.4 million. The Village's cost of all programs increased by \$2 million. The following table shows the condensed revenues and expenses of the Village's activities:

Table 2: Changes in Net Position for the FY Ended April 30, 2013
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenue						
Program Revenues						
Charges for Services	12.7	11.4	16	14.8	28.7	26.2
Operating Grants	3	2.6	-	-	3	2.6
Capital Grants	1.8	0.6	-	-	1.8	0.6
General Revenues						
Property Taxes & Replacement Taxes	30.8	31.1	-	-	30.8	31.1
Other Taxes	37.1	37.1	0.4	0.4	37.5	37.5
Other Revenue	0.8	0.8	0.2	0.6	1	1.4
Total Revenues	\$86.2	\$83.6	\$16.6	\$15.8	\$102.8	\$99.4
Expenses						
Governmental Activities						
General Government	5.4	6.3	-	-	5.4	6.3
Public Safety	43.1	41.8	-	-	43.1	41.8
Highways & Streets	19.7	17.9	-	-	19.7	17.9
Community Development	5.8	5.8	-	-	5.8	5.8
Health & Welfare	2.1	2	-	-	2.1	2
Interest	1.9	2.5	-	-	1.9	2.5
Business Type						
Water & Sewer	-	-	15.7	14.9	15.7	14.9
Solid Waste Disposal	-	-	1.3	1.5	1.3	1.5
Arts, Ent. & Events	-	-	0.5	0.8	0.5	0.8
Total Expenses	\$78.0	\$76.3	\$17.5	\$17.2	\$95.5	\$93.5
Change in Net Position	8.2	7.3	(0.9)	(1.4)	7.3	5.9
Ending Net Position	\$182.9	\$174.7	\$54.6	\$55.5	\$237.5	\$230.2

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Normal Impacts on Revenues and Expenses

There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

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

Increase/Decrease in Village-Approved Rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, building fees, home rule sales tax, prepared food tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (State-shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Program – within the functional expense categories (General Government, Public Safety and Streets and Highways, etc.), individual programs may be added or deleted to meet changing community needs.

Increase/Decrease in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 81% of the Village's General Fund and 39% of Water & Sewer Fund operating costs.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

(See independent auditor's report.)

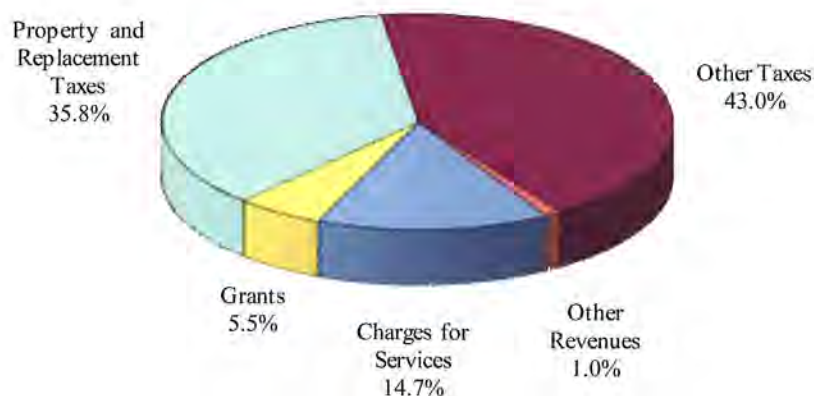
**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Current Year Impacts

Governmental Activities

Revenues:

**FY2013 Governmental Activities
Revenues by Source**



For the fiscal year ended April 30, 2013, revenues from Governmental Activities totaled \$86.2 million, which was \$2.6 million more than the prior year total. During the fiscal year property taxes and replacement taxes continued to be one of the Village's largest revenue categories coming in at \$30.8 million and representing 35.8% of total Government Activity revenue. This includes property tax increment revenue generated by the Village's tax increment financing (TIF) districts, which brought in \$1.1 million during the fiscal year. Property tax receipts decreased about \$300,000 compared to the prior fiscal year. This is a result of businesses located in Village TIF Districts who are successfully appealing their assessed values, which lowers the Village's property tax increment receipts.

Other taxes, including sales tax revenues combined with the telecommunications tax, food and beverage tax, home-rule sales tax, shared State income tax revenues, and other miscellaneous taxes total \$37.1 million representing 43% of the total Governmental Activity revenue. Village sales tax receipts decreased by about \$187,000 or 1.8% lower than the prior fiscal year. Income tax receipts came in higher than last year, increasing by about \$633,000. However, according to the Illinois Department of Revenue, a large portion of these one-time gains are attributable to recent federal tax code changes increasing capital gains tax rates. This resulted in individuals and corporations recognizing one-time additional gains on their 2012 tax returns ahead of these revisions. Telecommunication tax receipts decreased substantially by about \$662,000 or 16%. During the prior year the Village received an additional one-time payment of about \$300,000 from the State after an audit of their receipts from telecommunication providers yielded additional amounts due. Electric and natural gas utility tax receipts increased by about \$300,000 due to higher than normal natural gas and electricity use during FY2013.

Charges for Services came in at \$12.7 million or 14.7% of total Government Activity revenue. These revenues include Building Permits, Engineering Services charges, Ambulance Fees, Cable Franchise Fees, General Fund Service Charges to the Municipal Parking, TIF, and Water & Sewer Funds, parking lot fees and fines, and other charges. Charges for Services increased by \$1.3 million or 11% due in large part to permit and engineering service fees associated with the Arlington Downs apartment and commercial development and the construction of the Lutheran Homes rehabilitation center.

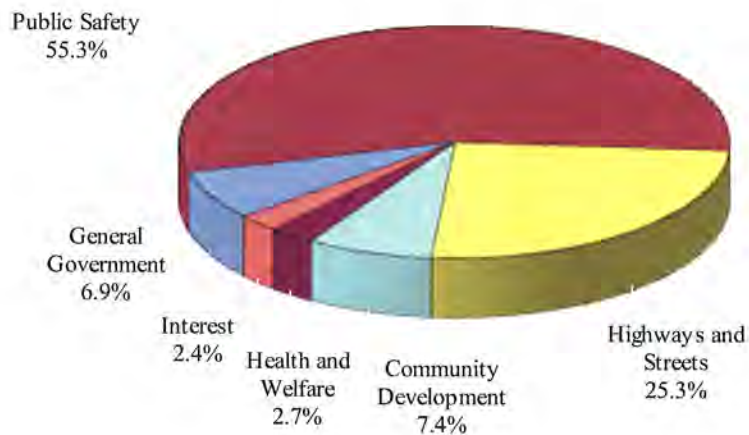
(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Capital grants also increased by about \$1.2 million or 200% over the prior year. This increase is due to a one-time grant of \$400,000 from the Illinois Department of Commerce and Economic Opportunity to augment the Village's street resurfacing program. In addition, there were infrastructure additions totaling about \$800,000 due to right-of-way conveyance and public improvements associated with the US14/Arthur-Davis project and the Douglas Avenue multi-use path.

Expenses:

**FY2013 Governmental Activities
Expenses by Function**



For the fiscal year ended April 30, 2013, expenses from Governmental Activities totaled \$78 million, an increase of \$1.7 million or 2.2% over the prior year. General Government expenses decreased from the prior year by about \$900,000. During FY2013 the Village combined its Buildings & Grounds division with the Public Works Department. This resulted in a reclassification of \$1.9 million from General Government expenses where Buildings & Grounds was reported, with a corresponding increase in the Highways & Streets expense category where Public Works Department expenses are classified. This decrease in General Government expenses was offset by the Village paying off a \$644,000 net pension obligation (NPO) due to the Illinois Municipal Retirement Fund (IMRF) through the use of existing reserves. The NPO was created when the Village used the IMRF's lower phase-in rate as a way for communities to hold the line on property taxes during the early years of the recession. Wage, benefit, and other expense increases accounted for the balance of the difference.

Public Safety expenses increased by \$1.3 million due in part to about \$400,000 in increased employer contributions to the Police and Fire Pension Funds. Police and Fire pension property tax levies are collected in the General Fund and paid to these respective pension funds as an employer contribution, and are shown as pension expenses in the Police and Fire Departments. The Criminal Investigations Fund also showed an increase of about \$486,000 due primarily to the purchase of a new radio system.

Highways & Streets expenses increased by \$1.8 million, due to the abovementioned reclassification of the Buildings & Grounds division to the Public Works Department. Planned principal and interest costs on the Village's general obligation debt decreased by about \$986,000 compared to the prior year.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-Type Activities

Revenues:

The total revenue for the business-type activities increased by \$800,000. Water and sewer charges increased by about \$1.4 million due in part to the planned increase in rates. In addition, the summer of 2012 was much warmer and drier than normal resulting in higher water usage for landscaping purposes. This increase was offset by a decrease in the reimbursement for recycled materials from the solid waste agency due to market declines in these materials. Other revenue in the Arts, Entertainment & Events (A, E & E) Fund also decreased as the prior year included one-time revenues raised by the Arlington Heights 125 Committee that spearheaded the Village's quasiquicentennial celebration.

Expenses:

Expenses from business-type activities increased by about \$300,000 or 1.7% compared to the prior year. Water & Sewer Fund expenses increased by about \$800,000 due to the initiation of new, ongoing water tank repainting program and a deep well rehabilitation project. A, E & E Fund expenses decreased as the prior year included a one-time additional contribution to the Metropolis Theater of \$300,000 to help create a work cash balance for the theater. Solid Waste Disposal Fund expenses decreased due to higher prior year costs associated with additional flood damage clean-up costs during FY2012.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At April 30, 2013 the Governmental Funds (as presented on Page 8-9) reported a combined fund balance of \$51,114,136, which is a 7.6% increase from the beginning of the year balance of \$47,499,107. Of the total fund balance, \$22,380,114 is unrestricted and unassigned indicating availability for continuing Village services. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Restricted fund balance reflects amounts that can be spent only for specific purposes stipulated by creditors, grantors, contributors, or imposed by law through enabling legislation adopted by the Village. Restricted fund balances totaling \$17,517,983 include \$1,724,730 for debt service, \$6,719,189 for capital projects, \$601,596 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), \$1,308,805 for highways and streets (MFT Fund), and \$7,163,663 for community development and other reserves (TIF Funds and Flood V Fund). Assigned fund balances are intended to be used by the Village for specific purposes and are designated by the Village's Finance Director for reporting purposes. Assigned fund balances totaling \$10,749,681 include \$4,400,365 for public parking, \$1,709,014 for public buildings, \$4,047,372 for emerald ash borer purposes, and \$592,930 for other miscellaneous purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$137,816 or .6% over FY2012. Revenues came in over expenditures by \$5,509,716 and other financing sources (uses) included a scheduled transfer-out of \$271,900 to debt service for the NWCDS (Central Dispatch) Building, as well as a one-time transfer out of \$400,000 to the Fleet Fund to reimburse that fund for a prior transfer in for cash flow purposes during the recession. There were additional one-time transfers out \$2.7 million to the Emerald Ash Borer (EAB) Fund, \$1 million to the Capital Projects Fund for additional street resurfacing, and \$1 million to the Flood Control V Fund to provide initial cash funding toward future flood remediation work.

Proprietary Funds

At April 30, 2013 the Proprietary Funds (as presented on Pages 13-16) total net position decreased by \$871,269, or 1.6%. In the Water & Sewer Fund cash and investments decreased by about \$.4 million due to planned expenses coming in higher than revenues. Accumulated depreciation also increased by \$1.4 million, decreasing the value of capital assets. On the liability side, Water & Sewer Fund accounts payable decreased by about \$400,000. In the Solid Waste Disposal and A, E & E Funds, cash increased by \$320,000 and \$56,000 respectively.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual
Revenues	\$ 66,501,100	\$ 66,510,900	\$ 68,234,868
Expenditures	65,062,000	66,050,138	62,725,152
Excess of Revenues			
Over Expenditures	\$ 1,439,100	\$ 460,762	\$ 5,509,716
Other Financing Sources (Uses)	(631,900)	(5,731,900)	(5,371,900)
Net Changes in Fund Balance	\$ 807,200	\$ (5,271,138)	\$ 137,816

Over the course of the fiscal year, as shown on page 72 the Village amended the General Fund expenditure budget at various times for a total of \$988,138, or 1.5% over the original budget. The expenditure budget amendments can be summarized as follows:

\$ 343,338	Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year.
643,755	Budget amendment for IMRF net pension obligation payoff.
<u>1,045</u>	Miscellaneous budget amendments.
<u>\$ 988,138</u>	Total General Fund expenditure budget amendments.

The budget for Other Financing Sources (Uses) was also amended during the year to account for following transfers:

\$ 400,000	Transfer to the Fleet Fund.
1,700,000	Transfer to the Emerald Ash Borer (EAB) Fund.
1,000,000	Additional Transfer to the Emerald Ash Borer (EAB) Fund.
1,000,000	Transfer to the Capital Projects Fund.
<u>1,000,000</u>	Transfer to the Flood V Fund.
<u>\$ 5,100,000</u>	Total General Fund Other Financing Sources (Uses) budget amendments.

General Fund revenues ended the fiscal year positively with \$1,723,968 more than the final budget. Sales, home rule sales, and State use tax receipts came in a combined \$286,000 under budget. Telecommunications tax receipts came in about \$193,000 under budget, and electric and natural gas utility tax receipts also underperformed the budget by a combined \$72,000. These under budget performances were more than offset by building permits and engineering service fees that came in a combined \$1 million over budget. Food & beverage tax receipts came in over budget by \$151,000 and cable franchise fees also exceeded the budgeted amount by \$261,000. Income tax receipts exceeded the budget by \$725,000, but as mentioned earlier, the Illinois Department of Revenue indicated that a large portion of these one-time gains are attributable to recent federal tax code changes increasing capital gains tax rates. This resulted in individuals and corporations recognizing one-time additional gains on their 2012 tax returns ahead of these revisions. Other revenues came in over budget by a combined \$138,000.

The year-end results for General Fund expenditures were also positive as expenditures came in under budget by \$3,324,986. Of this amount salary and fringe expenditures for Police Officers came in under budget by about \$506,000 due to normal vacancies and temporary workers compensation related vacancies. There were also a number of vacancies in the Finance, Public Works, Planning, Engineering and Building & Health Departments that resulted in wages and fringes coming in under budget in these departments by a combined \$520,000. Health expenditures also came in under budget by about \$30,000 due to funds that were allocated for court-mandated emergency property maintenance and clean-up efforts for uninhabitable homes that were not required this year.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Village experienced a mild winter season which resulted in Public Works Department savings on overtime and fringe benefits of about \$311,000 when compared to the budgeted amount. In addition, salt expenditures decreased, utility costs were lower, and village crews were able to complete a large number of tree removals in-house, as opposed to using an outside contractor. As a result contractual services and commodities came in under budget by \$1.1 million including under budget results for professional services, street and sidewalk services, tree services, and supplies. Other Village expenditures also came in under budget including the unused budgeted contingency amount of \$440,000, and the budgeted \$360,000 transfer to the Health Insurance Fund that was not required.

Other Financing Uses came in within the amended budget, but were significantly higher than in prior years. During the year the Village transferred \$271,900 to the Debt Service fund to account for the annual principal and interest payments on bonds sold for the Northwest Central Dispatch (NWCD) building. An annual payment from the NWCD is received by the Village equal to the amount of the annual debt service payment. The Village also transferred out \$400,000 to the Fleet Fund, which had been previously transferred in this amount to the General Fund for cash flow purposes during FY2010. Additional significant General Fund Other Financing Uses included a total of \$2.7 million transferred to the Emerald Ash Borer (EAB) Fund, and \$1 million each to the Capital Projects and Flood V Funds. The Village's total net change in fund balance increased by \$137,816 as a result of revenues coming in over expenditures by \$5,509,716, net of other financing sources (uses) totaling (\$5,371,900).

CAPITAL ASSETS

At the end of FY2013, the Village had a combined total of \$199.40 million invested in a broad range of capital assets including police and fire equipment, buildings, Village facilities, roads, and water and sewer lines. The following tables summarize the changes in Capital Assets which are presented in detail on Pages 37-38 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net decrease (including additions and deletions) of \$2.82 million. Table 5 focuses on the changes in capital assets of the governmental and business-type activities.

**Table 4: Capital Assets at Year End Net of Depreciation
(In Millions)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$13.06	\$13.06	\$3.12	\$3.12	\$16.18	\$16.18
Land Right-of-Way (ROW)	73.12	72.18	--	--	73.12	72.18
Construction in Progress	--	--	--	--	--	--
Building	67.93	70.44	11.06	11.49	78.99	81.93
Machinery & Equipment	6.24	5.89	2.48	2.62	8.72	8.51
Infrastructure (Streets)	7.56	7.87	--	--	7.56	7.87
Underground Systems (Water & Sewer)	--	--	14.83	16.39	14.83	15.55
Total Capital Assets, Net	\$167.91	\$169.44	\$31.49	\$33.62	\$199.40	\$202.22

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 5: Change in Capital Assets
(In Millions)

	Governmental Activities	Busines-Type Activities	Total
Beginning Balance	\$169.44	\$32.78	\$202.22
Additions			
Depreciable	1.68	-	1.68
Non-Depreciable	0.93	-	0.93
CIP	-	-	-
Retirements			
Depreciable	(1.94)	-	(1.94)
Non-Depreciable	-	-	-
CIP	-	-	-
Depreciation	(4.07)	(1.46)	(5.53)
Retirement	1.87	0.17	2.04
Ending Balance	\$167.91	\$31.49	\$199.40

The governmental activities net capital assets decreased by \$1.53 million or .9%. For business-type activities, the capital assets net of depreciation decreased by \$1.29 million or 3.9%. These decreases are due primarily to depreciation on existing assets.

DEBT OUTSTANDING

As of April 30, 2013 total General Obligation Bonds outstanding for governmental activities amounted to \$47.9 million. Of this amount, \$7.3 million is for flood control and Library building purposes, \$33.8 million for reconstruction of public buildings, \$2.1 million for TIF projects, \$2.4 million for the NWCDS building, \$1.3 million for the Senior Center, and \$1 million for street resurfacing. The Village, under its home rule authority, does not have a legal debt limit. The Village's bond rating of Aa1 by Moody's Investors Service was reaffirmed in January 2012 citing the Village's well-managed financial operations, aggressive retirement of its general obligation bonds, and its ability to implement additional revenue sources. Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements on Pages 40-43.

ECONOMIC FACTORS AND NEXT YEAR'S FY2014 BUDGET

This fiscal year ended positively as the Village's General Fund ended with another surplus. This operating fund pays for most Village services, except for water and sewer expenses. The financial condition of the General Fund has improved significantly over the last three fiscal years. Aggressive budgetary actions on both the expenditure and revenue sides of the ledger in prior fiscal years enabled the Village to maintain a strong fund balance throughout the last recession. As of August 23, 2013, the last day of fieldwork for the audit, the Village's FY2014 revenue and expenditure budget assumptions are continuing to come in as expected. While there are eight months remaining in this next fiscal year, these early results continue to follow the positive year end results for FY2013.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Thomas F. Kuehne, Finance Director/Treasurer, Village of Arlington Heights, 33 S. Arlington Heights Road, Arlington Heights, IL 60005.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2013

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Arlington Heights Memorial Library
ASSETS				
Cash and investments	\$ 80,057,529	\$ 6,884,116	\$ 86,941,645	\$ 13,701,340
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	15,368,278	-	15,368,278	6,384,918
Other taxes	6,123,042	-	6,123,042	-
Customer accounts	-	1,741,550	1,741,550	-
Accrued interest	89,247	17,078	106,325	12,267
CDBG rehabilitation loans	2,305,412	-	2,305,412	-
Grants	300,825	-	300,825	77,178
Other	1,238,573	-	1,238,573	-
Prepaid expenses	368,859	116,258	485,117	72,261
Inventory	171,656	548,155	719,811	-
Due from other governments	361,364	-	361,364	-
Due from fiduciary funds	4,657,216	-	4,657,216	-
Net pension asset	1,302,118	-	1,302,118	-
Investment in joint venture	-	14,923,360	14,923,360	-
Capital assets not being depreciated	86,187,842	3,124,150	89,311,992	142,378
Capital assets being depreciated (net of accumulated depreciation)	81,726,098	28,362,174	110,088,272	8,895,789
Total assets	280,258,059	55,716,841	335,974,900	29,286,131
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	1,623,021	-	1,623,021	-
Total deferred outflows of resources	1,623,021	-	1,623,021	-
Total assets and deferred outflows of resources	281,881,080	55,716,841	337,597,921	29,286,131

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Arlington Heights Memorial Library
LIABILITIES				
Accounts payable	\$ 1,716,995	\$ 356,447	\$ 2,073,442	\$ 528,420
Accrued payroll	719,526	125,627	845,153	268,878
Unearned revenue	3,734,588	4,500	3,739,088	-
Due to other governments	292,422	-	292,422	-
Payroll taxes payable	335,022	-	335,022	-
Claims payable	3,121,181	-	3,121,181	-
Accrued interest payable	656,500	-	656,500	-
Noncurrent liabilities				
Due within one year	6,588,278	63,289	6,651,567	-
Due in more than one year	50,424,548	520,922	50,945,470	713,335
Total liabilities	67,589,060	1,070,785	68,659,845	1,510,633
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	31,436,705	-	31,436,705	13,290,445
Total deferred inflows of resources	31,436,705	-	31,436,705	13,290,445
Total liabilities and deferred inflows of resources	99,025,765	1,070,785	100,096,550	14,801,078
NET POSITION				
Net investment in capital assets	121,113,330	31,486,324	152,599,654	9,038,167
Restricted for				
Public safety	601,596	-	601,596	-
Highways and streets	1,308,805	-	1,308,805	-
Capital projects	6,719,189	-	6,719,189	-
Community development	7,163,663	-	7,163,663	-
Debt service	1,724,730	-	1,724,730	-
Culture, recreation and education	-	-	-	5,446,886
Unrestricted	44,224,002	23,159,732	67,383,734	-
TOTAL NET POSITION	\$ 182,855,315	\$ 54,646,056	\$ 237,501,371	\$ 14,485,053

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,373,174	\$ 4,978,268	\$ 162,976	\$ 540,109
Public safety	43,129,040	2,929,501	802,351	-
Highways and streets	19,692,580	3,016,225	1,788,348	1,281,659
Community development	5,734,706	1,681,786	199,884	-
Health and welfare	2,137,300	44,896	-	-
Interest	1,896,757	-	-	-
Total governmental activities	77,963,557	12,650,676	2,953,559	1,821,768
Business-Type Activities				
Water and sewer	15,722,016	14,344,566	-	-
Solid waste disposal	1,312,457	1,593,605	-	-
Arts, entertainment and events	511,705	54,364	20,247	-
Total business-type activities	17,546,178	15,992,535	20,247	-
TOTAL PRIMARY GOVERNMENT	\$ 95,509,735	\$ 28,643,211	\$ 2,973,806	\$ 1,821,768
COMPONENT UNIT				
Arlington Heights Memorial Library	\$ 13,330,715	\$ 207,714	\$ 239,014	\$ -

	Net (Expense) Revenue and Change in Net Position			
	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit
				Arlington Heights Memorial Library
	\$ 308,179	\$ -	\$ 308,179	\$ -
	(39,397,188)	-	(39,397,188)	-
	(13,606,348)	-	(13,606,348)	-
	(3,853,036)	-	(3,853,036)	-
	(2,092,404)	-	(2,092,404)	-
	(1,896,757)	-	(1,896,757)	-
	(60,537,554)	-	(60,537,554)	-
	-	(1,377,450)	(1,377,450)	-
	-	281,148	281,148	-
	-	(437,094)	(437,094)	-
	-	(1,533,396)	(1,533,396)	-
	(60,537,554)	(1,533,396)	(62,070,950)	-
	-	-	-	(12,883,987)
General Revenues				
Taxes				
Property	30,390,556	-	30,390,556	13,070,516
Sales	10,333,345	-	10,333,345	-
Home rule sales	6,582,209	-	6,582,209	-
Replacement	415,244	-	415,244	-
Use	1,190,737	-	1,190,737	-
Telecommunications	3,606,605	-	3,606,605	-
Utility	5,568,711	-	5,568,711	-
Hotel/motel	959,547	-	959,547	-
Food and beverage	1,843,377	460,424	2,303,801	-
Foreign fire insurance	129,456	-	129,456	-
Other	57,439	-	57,439	-
Shared income taxes	6,768,141	-	6,768,141	-
Investment income	201,421	23,362	224,783	57,387
Miscellaneous	634,380	178,341	812,721	24,128
Total	68,681,168	662,127	69,343,295	13,152,031
CHANGE IN NET POSITION	8,143,614	(871,269)	7,272,345	268,044
NET POSITION, MAY 1	174,711,701	55,517,325	230,229,026	14,217,009
NET POSITION, APRIL 30	\$ 182,855,315	\$ 54,646,056	\$ 237,501,371	\$ 14,485,053

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2013

	General	Debt Service	Capital Projects	Nonmajor	Total
ASSETS					
Cash and investments	\$ 23,527,930	\$ 5,084,007	\$ 7,633,169	\$ 21,695,043	\$ 57,940,149
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	10,254,263	3,271,608	1,327,997	514,410	15,368,278
Other taxes	5,993,888	-	-	129,154	6,123,042
Accrued interest	8,727	20,739	3,191	19,838	52,495
CDBG rehabilitation loans	-	-	-	2,305,412	2,305,412
Grants	-	-	244,058	56,767	300,825
Other	1,204,073	-	-	34,500	1,238,573
Prepaid items	110,880	-	8,000	249,979	368,859
Due from other funds	29,042	-	-	-	29,042
Due from fiduciary funds	4,657,216	-	-	-	4,657,216
Due from other governments	-	-	361,364	-	361,364
Inventory	97,499	-	-	-	97,499
TOTAL ASSETS	\$ 45,883,518	\$ 8,376,354	\$ 9,577,779	\$ 25,005,103	\$ 88,842,754

	General	Debt Service	Capital Projects	Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 749,002	\$ -	\$ 150,591	\$ 333,871	\$ 1,233,464
Accrued payroll	652,390	-	-	14,985	667,375
Due to other funds	-	-	-	29,042	29,042
Due to other governments	-	-	-	292,422	292,422
Payroll taxes payable	335,022	-	-	-	335,022
Unearned revenue	4,000	-	-	3,730,588	3,734,588
Total liabilities	1,740,414	-	150,591	4,400,908	6,291,913
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	20,961,681	6,651,624	2,699,999	1,123,401	31,436,705
Total deferred inflows of resources	20,961,681	6,651,624	2,699,999	1,123,401	31,436,705
Total liabilities and deferred inflows of resources	22,702,095	6,651,624	2,850,590	5,524,309	37,728,618
FUND BALANCES					
Nonspendable					
Prepaid items	110,880	-	8,000	249,979	368,859
Inventory	97,499	-	-	-	97,499
Restricted					
Debt service	-	1,724,730	-	-	1,724,730
Capital projects	-	-	6,719,189	-	6,719,189
Public safety	-	-	-	601,596	601,596
Highways and streets	-	-	-	1,308,805	1,308,805
Community development	-	-	-	7,163,663	7,163,663
Unrestricted					
Assigned					
Wellness programs	46,962	-	-	-	46,962
Disabled citizens programs	14,429	-	-	-	14,429
Emergency assistance programs	89,539	-	-	-	89,539
Senior center maintenance	442,000	-	-	-	442,000
Public parking	-	-	-	4,400,365	4,400,365
Public building	-	-	-	1,709,014	1,709,014
Emerald ash borer	-	-	-	4,047,372	4,047,372
Unassigned	22,380,114	-	-	-	22,380,114
Total fund balances	23,181,423	1,724,730	6,727,189	19,480,794	51,114,136
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 45,883,518	\$ 8,376,354	\$ 9,577,779	\$ 25,005,103	\$ 88,842,754

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

April 30, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 51,114,136
-------------------------------------	---------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	167,913,940
Less internal service funds	(6,158,869)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(47,895,000)
Unamortized premium on bonds	(539,513)
Unamortized discount on bonds	10,881
Unamortized loss on refunding of bonds	1,623,021
Net pension obligation - police pension	(1,493,094)
Net other postemployment benefits obligation	(3,486,533)

Compensated absences payable are not due and payable in the current period and, therefore, are not reported in governmental funds	(3,456,881)
Less internal service funds	187,858

Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(656,500)
--	-----------

The net pension asset of the firefighters' pension fund is included in the governmental activities in the statement of net position	1,302,118
---	-----------

The net position of the internal service funds are included in the governmental activities in the statement of net position	<u>24,389,751</u>
---	-------------------

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 182,855,315</u></u>
---	------------------------------

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended April 30, 2013

	General	Debt Service	Capital Projects	Nonmajor	Total
REVENUES					
Taxes	\$ 49,107,575	\$ 6,484,404	\$ 4,251,484	\$ 1,104,305	\$ 60,947,768
Licenses and permits	4,289,920	-	-	-	4,289,920
Intergovernmental	6,768,141	-	-	2,659,889	9,428,030
Grants	223,241	-	690,039	534,023	1,447,303
Charges for services	2,052,554	-	-	-	2,052,554
Fines and fees	4,934,408	-	-	1,117,279	6,051,687
Investment income	92,514	17,356	26,010	65,541	201,421
Rents and reimbursables	436,635	-	-	-	436,635
Miscellaneous	329,880	-	26,741	97,642	454,263
Total revenues	68,234,868	6,501,760	4,994,274	5,578,679	85,309,581
EXPENDITURES					
Current					
General government	4,698,107	-	-	-	4,698,107
Public safety	41,358,380	-	-	932,776	42,291,156
Highways and streets	9,936,239	-	-	1,152,919	11,089,158
Community development	4,858,768	-	-	270,332	5,129,100
Health and welfare	1,873,658	-	-	280,107	2,153,765
Capital outlay	-	-	5,828,949	2,529,913	8,358,862
Debt service					
Principal retirement	-	5,835,000	-	-	5,835,000
Interest and fiscal charges	-	1,739,404	-	-	1,739,404
Total expenditures	62,725,152	7,574,404	5,828,949	5,166,047	81,294,552
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,509,716	(1,072,644)	(834,675)	412,632	4,015,029
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,035,500	1,032,891	3,707,356	5,775,747
Transfers (out)	(5,371,900)	-	-	(803,847)	(6,175,747)
Total other financing sources (uses)	(5,371,900)	1,035,500	1,032,891	2,903,509	(400,000)
NET CHANGE IN FUND BALANCES	137,816	(37,144)	198,216	3,316,141	3,615,029
FUND BALANCES, MAY 1	23,043,607	1,761,874	6,528,973	16,164,653	47,499,107
FUND BALANCES, APRIL 30	\$ 23,181,423	\$ 1,724,730	\$ 6,727,189	\$ 19,480,794	\$ 51,114,136

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

For the Year Ended April 30, 2013

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 3,615,029
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay 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	
Capital assets capitalized	1,618,969
Less Internal Service Fund portion	(1,263,997)
Less Internal Service Fund portion	73,303
Depreciation	(4,067,353)
Less Internal Service Fund portion	943,149
Contributed capital assets are recorded as capital contributions in the statement of activities	870,895
Less Internal Service Fund portion	(73,305)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	5,835,000
The change in accrued interest payable on long-term debt is reported as an expense on the statement of activities	435,691
The amortization of premium on long-term debt is reported as a reduction of expense on the statement of activities	78,637
The reduction of discount on long-term debt is reported as an expense on the statement of activities	(5,441)
The amortization of the loss on refunding is reported as an expense on the statement of activities	(224,843)
To eliminate prior recording of bond issuance costs in accordance with GASB Statement No. 65	(441,397)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Increase in compensated absences liability	(223,405)
Less Internal Service Fund portion	16,999
Increase in net pension asset	21,220
Decrease in net pension obligation	
Police pension	123,705
IMRF	797,032
Increase in net other postemployment benefits obligation	(192,239)
Less Internal Service Fund portion	8,536
The change in net position of internal service funds is reported in governmental activities	197,429
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 8,143,614

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

April 30, 2013

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and cash equivalents	\$ 3,856,174	\$ 3,027,942	\$ 6,884,116	\$ 22,117,380
Receivables				
Customer accounts	1,697,018	44,532	1,741,550	-
Accrued interest	16,043	1,035	17,078	36,752
Prepaid expenses	-	116,258	116,258	-
Inventory	548,155	-	548,155	74,157
Total current assets	6,117,390	3,189,767	9,307,157	22,228,289
NONCURRENT ASSETS				
Capital assets				
Nondepreciable capital assets	2,648,950	475,200	3,124,150	-
Depreciable capital assets	98,530,229	2,554,246	101,084,475	17,112,639
Accumulated depreciation	(72,017,056)	(705,245)	(72,722,301)	(10,953,770)
Net capital assets	29,162,123	2,324,201	31,486,324	6,158,869
Other assets				
Investment in joint venture	14,923,360	-	14,923,360	-
Total other assets	14,923,360	-	14,923,360	-
Total noncurrent assets	44,085,483	2,324,201	46,409,684	6,158,869
Total assets	50,202,873	5,513,968	55,716,841	28,387,158
CURRENT LIABILITIES				
Accounts payable	351,377	5,070	356,447	483,531
Unearned revenue	-	4,500	4,500	-
Accrued payroll	125,627	-	125,627	52,151
Claims payable	-	-	-	3,121,181
Compensated absences payable	63,289	-	63,289	28,180
Total current liabilities	540,293	9,570	549,863	3,685,043
LONG-TERM LIABILITIES				
Compensated absences payable	358,640	-	358,640	159,678
Net other postemployment benefits obligation	162,282	-	162,282	152,686
Total long-term liabilities	520,922	-	520,922	312,364
Total liabilities	1,061,215	9,570	1,070,785	3,997,407
NET POSITION				
Net investment in capital assets	29,162,123	2,324,201	31,486,324	6,158,869
Unrestricted	19,979,535	3,180,197	23,159,732	18,230,882
TOTAL NET POSITION	\$ 49,141,658	\$ 5,504,398	\$ 54,646,056	\$ 24,389,751

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 14,344,566	\$ 1,647,969	\$ 15,992,535	\$ 16,522,335
Fines	-	-	-	23,469
Miscellaneous	160,341	18,000	178,341	505,156
Total operating revenues	14,504,907	1,665,969	16,170,876	17,050,960
OPERATING EXPENSES				
Operations	14,331,095	1,756,589	16,087,684	16,389,236
Depreciation	1,390,921	67,573	1,458,494	943,149
Total operating expenses	15,722,016	1,824,162	17,546,178	17,332,385
OPERATING INCOME (LOSS)	(1,217,109)	(158,193)	(1,375,302)	(281,425)
NONOPERATING REVENUES (EXPENSES)				
Investment income	12,455	10,907	23,362	77,025
Food and beverage tax	-	460,424	460,424	-
Loss on disposal of capital assets	-	-	-	(71,476)
Total nonoperating revenues (expenses)	12,455	471,331	483,786	5,549
INCOME (LOSS) BEFORE TRANSFERS	(1,204,654)	313,138	(891,516)	(275,876)
TRANSFERS				
Transfers in	-	-	-	1,516,214
Transfers (out)	-	-	-	(1,116,214)
Total transfers	-	-	-	400,000
CONTRIBUTIONS OF CAPITAL ASSETS	-	20,247	20,247	73,305
CHANGE IN NET POSITION	(1,204,654)	333,385	(871,269)	197,429
NET POSITION, MAY 1	50,346,312	5,171,013	55,517,325	24,192,322
NET POSITION, APRIL 30	\$ 49,141,658	\$ 5,504,398	\$ 54,646,056	\$ 24,389,751

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2013

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 14,522,630	\$ 1,720,153	\$ 16,242,783	\$ -
Receipts from internal services	(1,397,204)	-	(1,397,204)	17,050,960
Payments to suppliers	(7,876,212)	(1,797,706)	(9,673,918)	(12,932,206)
Payments to employees	(5,558,260)	-	(5,558,260)	(2,241,364)
Net cash from operating activities	(309,046)	(77,553)	(386,599)	1,877,390
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund transfers in	-	-	-	1,516,214
Interfund transfers (out)	-	-	-	(1,116,214)
Food and beverage tax receipts	-	460,424	460,424	-
Net cash from noncapital financing activities	-	460,424	460,424	400,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(127,735)	(19,000)	(146,735)	(1,315,617)
Net cash from capital and related financing activities	(127,735)	(19,000)	(146,735)	(1,315,617)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	14,095	12,184	26,279	84,080
Net cash from investing activities	14,095	12,184	26,279	84,080
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(422,686)	376,055	(46,631)	1,045,853
CASH AND CASH EQUIVALENTS, MAY 1	4,278,860	2,651,887	6,930,747	21,071,527
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 3,856,174	\$ 3,027,942	\$ 6,884,116	\$ 22,117,380

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2013

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,217,109)	\$ (158,193)	\$ (1,375,302)	\$ (281,425)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,390,921	67,573	1,458,494	943,149
Income from investment in joint venture	(88,978)	-	(88,978)	-
Change in assets and liabilities				
Receivables	17,723	54,184	71,907	-
Prepaid expenses	-	(24,600)	(24,600)	385,458
Inventories	(96,076)	-	(96,076)	14,299
Accounts payable	(353,395)	4,500	(348,895)	79,738
Accrued payroll	20,194	(21,017)	(823)	10,297
Compensated absences payable	12,073	-	12,073	16,999
Net other postemployment benefits payable	5,601	-	5,601	8,536
Claims payable	-	-	-	700,339
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (309,046)</u>	<u>\$ (77,553)</u>	<u>\$ (386,599)</u>	<u>\$ 1,877,390</u>
NONCASH TRANSACTIONS				
Contributions of capital assets	<u>\$ -</u>	<u>\$ 20,247</u>	<u>\$ 20,247</u>	<u>\$ 73,305</u>

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2013

	Pension Trust	Agency
<hr/>		
ASSETS		
Cash and cash equivalents	\$ 3,085,400	\$ 1,564,197
Investments		
U.S. Government and agency obligations	52,955,743	-
Equity securities	29,675,278	-
Corporate bonds	5,560,169	-
Illinois Funds	6,634,239	-
Mutual funds	64,629,558	-
Commercial paper	5,926,747	-
Municipal bonds	1,817,539	-
Receivables		
Accrued interest	434,447	1,617
Other	9,391	113,388
	<hr/>	
Total assets	170,728,511	\$ 1,679,202
	<hr/>	
LIABILITIES		
Accounts payable	91	\$ 1,541
Deposits payable	-	1,672,860
Due to other funds	4,657,216	-
Other payables	7,245	4,801
	<hr/>	
Total liabilities	4,664,552	\$ 1,679,202
	<hr/>	
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 166,063,959</u>	

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2013

ADDITIONS

Contributions

Employer	\$ 8,876,000
Participants	1,862,842
Other	<u>414,876</u>

Total contributions	<u>11,153,718</u>
---------------------	-------------------

Investment income

Net appreciation in fair value of investments	10,428,617
Interest income	<u>4,248,997</u>

Subtotal	14,677,614
----------	------------

Less investment expense	<u>(456,873)</u>
-------------------------	------------------

Net investment income	<u>14,220,741</u>
-----------------------	-------------------

Total additions	<u>25,374,459</u>
-----------------	-------------------

DEDUCTIONS

Administrative	62,457
Pension benefits and refunds	<u>9,546,161</u>

Total deductions	<u>9,608,618</u>
------------------	------------------

NET INCREASE	15,765,841
--------------	------------

NET POSITION HELD IN TRUST FOR
PENSION BENEFITS

May 1	<u>150,298,118</u>
-------	--------------------

April 30	<u><u>\$ 166,063,959</u></u>
----------	------------------------------

See accompanying notes to financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Arlington Heights, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by an elected board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of its operational or financial relationship with the primary government.

The Village's financial statements include two pension trust funds:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one pension beneficiary elected by the membership and two police employees elected by the membership constitute the pension board. The Village 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 Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension System

The Village's sworn firefighters participate in the Firefighters' Pension System (FPS). FPS functions for the benefit of those employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected fire employees constitute the pension board. The Village and FPS participants are obligated to fund all FPS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. FPS is reported as a pension trust fund because of the Village's fiduciary responsibility.

Discretely Presented Component Unit - Arlington Heights Memorial Library

The component unit column in the basic financial statements includes the financial data of the Village's component unit. It is reported in a separate column to emphasize that it is legally separate from the Village.

The Arlington Heights Memorial Library (the Library) operates and maintains the public library within the Village. The Library's Board is elected by the voters of the Village. The Library may not issue bonded debt without the Village's approval and its annual budget and property tax levy request are subject to the Village Board's approval.

Complete financial statements for the Library can be obtained from the Library's offices at 500 North Dunton Street, Arlington Heights, Illinois 60004.

Joint Ventures

Northwest Water Commission (NWWC)

NWWC is a municipal corporation empowered to construct and maintain a joint water supply system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of NWWC beyond its representation on the Board of Directors. NWWC is reported as an equity proprietary joint venture.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Joint Ventures (Continued)

Solid Waste Agency of Northern Cook County (SWANCC)

SWANCC is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWANCC beyond its representation on the Board of Directors. SWANCC is reported as a nonequity proprietary joint venture.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary and fiduciary.

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in fiduciary capacity or on behalf of others as their agent.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

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

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

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 Village reports the following major governmental funds:

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

The Debt Service Fund accounts for the resources that are restricted, committed or assigned to expenditure of principal and interest.

The Capital Projects Fund accounts for financial resources that are restricted, committed or assigned to expenditure for capital outlays. Financing is provided by earmarking revenues to provide for the costs associated with the projects. Major projects include: road improvements, curb replacement, paving maintenance and sidewalk replacement/installation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major proprietary funds:

The Water and Sewer Fund accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, billing and collection.

Internal Service Funds account for operations that provide services to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis. These funds are Health and Life Insurance, Retiree Health Insurance, General Liability Insurance, Workers' Compensation, Fleet Operations and Technology.

The Village reports the following fiduciary funds:

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and the Firefighters' Pension Fund. The Village reports the Guaranty Deposits, Escrow Deposits and Special Assessment Collection agency funds as fiduciary funds.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (agency funds have no measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period and income taxes which uses a 120-day period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Village reports unearned/unavailable revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned/unavailable revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

Investments with a maturity of one year or less when purchased are stated at cost or amortized cost. Investments with a maturity greater than one year and all pension fund investments are stated at fair value in accordance with GASB Statement No. 31.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer, is reported at a \$1 per share value, which equals the fair value in the pool. The Illinois Metropolitan Investment (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members is valued at IMET's share price, the price for which the investment could be sold.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded on the consumption method.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Easements are defined by the Village as assets with an initial, individual cost of more than \$100,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-40
Machinery, equipment and vehicles	3-20
Infrastructure	40
Underground systems	40

j. Compensated Absences

Vested or accumulated vacation is reported as an expenditure and a fund liability of the governmental (General) fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

k. Long-Term Obligations

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position

In the fund financial statements, in accordance with GASB Statement No. 54 as implemented, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Finance Director by the Fund Balance and Reserve Policy. Any residual fund balance in the General Fund and any deficit fund balance of any other governmental fund are reported as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Village's restricted net position resulted from enabling legislation adopted by the Village. Net investment in capital assets is the book value of capital assets less any long-term debt outstanding that was issued to construct or acquire the capital assets.

m. Interfund Transactions

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows 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.

o. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The government wide and the governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

2. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include 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 agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value) and Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
IMET 1-3 Year Fund	\$ 7,923,928	\$ -	\$ 7,923,928	\$ -	\$ -
TOTAL	\$ 7,923,928	\$ -	\$ 7,923,928	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for cash requirements for ongoing operations in shorter-term securities, money market funds or similar investment pools.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk limiting investments to the safest types of securities; prequalifying the financial institutions, intermediaries and advisors with which the Village will conduct business; and diversifying the investment portfolio so that potential losses on individual investments will be minimized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities); limiting investment in securities that have higher credit risks; investing in securities with varying maturities; and continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPS) or money market funds to ensure that proper liquidity is maintained in order to meet ongoing obligations.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, corporate bonds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value) and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy does not address this issue, but the pension funds have flow through FDIC for each plan member.

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 23,817,964	\$ 2,282,513	\$ 11,819,802	\$ 9,715,649	\$ -
U.S. agency obligations	19,513,969	353,096	5,350,028	7,397,601	6,413,244
TOTAL	\$ 43,331,933	\$ 2,635,609	\$ 17,169,830	\$ 17,113,250	\$ 6,413,244

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund's investment policy does not address this issue. The Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated AA+ or better by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian and evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Maximum percentages are cash 5%, fixed income 73%, large cap domestic equities 43%, small cap domestic equities 7%, international equities 7% and real estate 5%.

c. Firefighters' Pension Fund Deposits and Investments

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by ILCS. These include 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 agreements to repurchase these same obligations, repurchase agreements, corporate bonds, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Plan Deposits and Investments (Continued)

maintains a \$1 per share value which is equal to the participants fair value) and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

It is the policy of the Firefighters' Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and return on investment.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank, and evidenced by safekeeping receipts.

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,842,763	\$ -	\$ 764,121	\$ 2,078,642	\$ -
U.S. agency obligations	6,781,047	801,051	4,065,683	658,049	1,256,264
Municipal bonds	1,817,539	-	1,559,389	258,150	-
Corporate bonds	5,560,169	452,586	3,581,947	1,525,636	-
Commercial paper	5,926,747	-	4,434,412	1,492,335	-
TOTAL	\$ 22,928,265	\$ 1,253,637	\$ 14,405,552	\$ 6,012,812	\$ 1,256,264

2. DEPOSITS AND INVESTMENTS (Continued)

c. Firefighters' Pension Plan Deposits and Investments (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Firefighters' Pension Fund's investment policy does not address this issue. The Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Firefighters' Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated Baa or better by a national rating agency. The U.S. Treasury and U.S. agency obligations that had ratings were rated Aaa and the municipal bonds, corporate bonds and commercial paper that were rated ranged from Baa to Aaa.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Firefighters' Pension Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party custodian and evidenced by safekeeping receipts.

Concentration of credit risk is the risk that the Firefighters' Pension Fund has a high percentage of its investments invested in one type of investment. The Firefighters' Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. Maximum percentages are cash 5%; fixed income 40%; large cap domestic equities 40%; small/mid cap domestic equities 15%; international equities 15%; Real Estate 11% and Global Tactical AA 9%.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES

a. Property Taxes

Property taxes for 2012 attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2013 and August 1, 2013, and are payable in two installments, on or about March 1, 2013 and September 1, 2013. Tax Increment Financing (TIF) property tax receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF District. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience. As the 2012 tax levy is intended to fund expenditures for the 2013-2014 fiscal year, these taxes are deferred as of April 30, 2013.

The 2013 tax levy, which attached as an enforceable lien on property as of January 1, 2013, has not been recorded as a receivable as of April 30, 2013 as the tax has not yet been levied by the Village and will not be levied until December 2013 and, therefore, the levy is not measurable at April 30, 2013.

b. Other Taxes

Other taxes receivable are comprised of the following at April 30, 2013:

Fund	Description	Amount
General	Municipal sales tax	\$ 2,413,789
	Home rule sales tax	1,080,092
	State income tax	1,093,239
	State use tax	261,266
	Telecommunications tax	881,009
	Food and beverage tax	139,002
	Hotel tax	123,300
	Auto rental	2,191
	Total General	<u>5,993,888</u>
Special Revenue		
Motor Fuel Tax	Motor fuel tax allotments	<u>129,154</u>
	Total Special Revenue	<u>129,154</u>
TOTAL GOVERNMENTAL FUNDS		<u>\$ 6,123,042</u>

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

c. Other Receivables

Other receivables are comprised of the following at April 30, 2013:

Fund	Description	Amount
General	Cable franchise fees	\$ 448,457
	Traffic fines	49,380
	SWANCC service charge	16,666
	Grants	8,129
	Gas tax rebate	12,547
	Utility taxes	504,108
	Liquor licenses	156,226
	Police counselors	8,560
Total General		<u>1,204,073</u>
Special Revenue		
Municipal Parking Operations	Parking permits	<u>19,500</u>
Total Special Revenue		<u>19,500</u>
Capital Projects		
Emerald Ash Borer	Miscellaneous	<u>15,000</u>
Total Capital Projects		<u>15,000</u>
TOTAL GOVERNMENTAL FUNDS		<u>\$ 1,238,573</u>

4. CDBG REHABILITATION LOANS

The Village makes loans to village residents for the rehabilitation of single-family housing. Initial funding for these loans was from Community Development Block Grant (CDBG) Fund. These loans are title transfer loans which are due in full when the housing unit is sold. Repayments of principal on these receivables, which are recorded in the CDBG Fund, are used to make additional rehabilitation loans. Loan activity for the current year is summarized as follows:

	Interest Rates	Beginning of Year	Loans Made	Loan Repayments	Loan Write-Off	End of Year
CDBG rehab loans	0%	\$ 2,342,465	\$ 44,087	\$ 81,140	\$ -	\$ 2,305,412

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2013 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 13,064,722	\$ -	\$ -	\$ 13,064,722
Land rights of way	72,184,324	938,796	-	73,123,120
Total capital assets not being depreciated	85,249,046	938,796	-	86,187,842
Capital assets being depreciated				
Buildings and improvements	101,509,232	-	-	101,509,232
Machinery, equipment and vehicles	20,516,742	1,413,196	1,940,468	19,989,470
Infrastructure	47,908,324	262,795	-	48,171,119
Total capital assets being depreciated	169,934,298	1,675,991	1,940,468	169,669,821
Less accumulated depreciation for				
Buildings and improvements	31,077,436	2,502,732	-	33,580,168
Machinery, equipment and vehicles	14,631,311	984,413	1,868,992	13,746,732
Infrastructure	40,036,615	580,208	-	40,616,823
Total accumulated depreciation	85,745,362	4,067,353	1,868,992	87,943,723
Total capital assets being depreciated, net	84,188,936	(2,391,362)	71,476	81,726,098
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 169,437,982	\$ (1,452,566)	\$ 71,476	\$ 167,913,940

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 599,813
Public safety	768,810
Highways and streets	892,191
Community development	43,476
Health and welfare	1,763,063
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 4,067,353

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,124,150	\$ -	\$ -	\$ 3,124,150
Total capital assets not being depreciated	3,124,150	-	-	3,124,150
Capital assets being depreciated				
Buildings and improvements	19,240,175	-	-	19,240,175
Machinery and equipment	5,654,781	77,332	-	5,732,113
Underground systems	76,022,537	89,650	-	76,112,187
Total capital assets being depreciated	100,917,493	166,982	-	101,084,475
Less accumulated depreciation for				
Buildings and improvements	7,752,469	426,373	-	8,178,842
Machinery and equipment	3,038,995	219,915	-	3,258,910
Underground systems	60,472,344	812,205	-	61,284,549
Total accumulated depreciation	71,263,808	1,458,493	-	72,722,301
Total capital assets being depreciated, net	29,653,685	(1,291,511)	-	28,362,174
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 32,777,835	\$ (1,291,511)	\$ -	\$ 31,486,324

6. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insured program. The Village is self-insured for the first \$100,000 for property claims, \$100,000 per employee for medical claims, \$1,000,000 for liability claims, \$1,000,000 for errors and omissions and \$750,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There were no reductions in insurance coverage during 2013 from the coverage amounts in effect for 2012. The Village's self-insurance activities are reported in the Health and Life Insurance, Retiree Health Insurance, General Liability Insurance and Workers' Compensation internal service funds.

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. There were no insurance claim settlements which exceeded the amounts of insurance coverage during 2010 through 2013.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

A reconciliation of claims liability for the current year and that of the preceding year are as follows:

	Health and Life	General Liability	Workers' Compensation	Total
UNPAID CLAIMS LIABILITY -				
APRIL 30, 2011	\$ 889,097	\$ 316,581	\$ 1,332,182	\$ 2,537,860
Claims incurred/adjustments - 2012	5,476,934	340,635	776,344	6,593,913
Claim payment - 2012	(5,464,079)	(399,398)	(847,454)	(6,710,931)
UNPAID CLAIMS LIABILITY -				
APRIL 30, 2012	901,952	257,818	1,261,072	2,420,842
Claims incurred/adjustments - 2013	6,356,676	205,250	1,768,640	8,330,566
Claim payment - 2013	(6,307,385)	(229,359)	(1,093,483)	(7,630,227)
UNPAID CLAIMS LIABILITY -				
APRIL 30, 2013	\$ 951,243	\$ 233,709	\$ 1,936,229	\$ 3,121,181

High-Level Excess Liability Pool - The Village is a member of the High-Level Excess Liability Pool (the POOL) which consists of 15 Illinois municipalities. The purpose of the POOL is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the members and other parties included within the scope of coverage of the POOL. The coverage provided by the POOL is \$5,000,000 per occurrence and in the aggregate for each member, with a self-insured retention of \$2,000,000 per member. In addition, the POOL provides excess insurance of \$5,000,000 per occurrence for claims in excess of \$6,000,000.

The POOL is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each director has an equal vote. The officers of the POOL are elected by the Board of Directors. The Board of Directors determines the general policy of the POOL, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by the POOL, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in the POOL agreement or the by-laws.

The Village does not exercise any control over the activities of the POOL beyond its representation on the Board of Directors.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

The POOL was organized on April 1, 1987 with the initial agreement which has been extended to April 30, 2018. The Village has committed to purchase excess liability insurance from the POOL through the term of the agreement. Annual premiums are calculated based on a formula which specifies the following four criteria: (1) miles of streets; (2) full-time equivalent employees; (3) number of motor vehicles; and (4) operating revenues.

7. LONG-TERM DEBT

a. General Obligation Bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Village.

b. Changes in Long-Term Liabilities

	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES						
\$2,600,000 General Obligation Refunding Bonds, Series 2003A, due in annual installments ranging from \$30,000 to \$255,000 with interest from 2.00% to 4.00%. The last payment is due December 1, 2016.	Debt Service	\$ 1,175,000	\$ -	\$ 215,000	\$ 960,000	\$ 225,000
\$3,330,000 General Obligation Refunding Bonds, Series 2003B, due in annual installments ranging from \$30,000 to \$320,000 with interest from 2.00% to 4.00%. The last payment is due December 1, 2016.	Debt Service	1,580,000	-	325,000	1,255,000	320,000
\$20,000,000 General Obligation Bonds, Series 2004, due in annual installments ranging from \$100,000 to \$2,500,000 with interest from 3.00% to 5.00%. The last payment is due December 1, 2015.	Debt Service	200,000	-	100,000	100,000	100,000

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES (Continued)						
\$2,235,000 General Obligation Bonds, Series 2005, due in annual installments ranging from \$125,000 to \$425,000 with interest from 3.30% to 3.65%. The last payment is due December 1, 2015.	Debt Service	\$ 1,475,000	\$ -	\$ 300,000	\$ 1,175,000	\$ 350,000
\$20,000,000 General Obligation Bonds, Series 2006, due in annual installments ranging from \$400,000 to \$3,400,000 with interest at 4.00%. The last payment is due December 1, 2019.	Debt Service	15,800,000	-	1,400,000	14,400,000	1,500,000
\$16,515,000 General Obligation Refunding Bonds, Series 2006A, due in annual installments ranging from \$275,000 to \$2,660,000 with interest at 4.00%. The last payment is due December 1, 2018.	Debt Service	3,450,000	-	1,590,000	1,860,000	275,000
\$8,380,000 General Obligation Refunding Bonds, Series 2009A, due in annual installments ranging from \$620,000 to \$2,835,000 with interest at 2.00% to 2.50%. The last payment is due December 1, 2014.	Debt Service	6,585,000	-	1,140,000	5,445,000	2,610,000
\$2,050,000 General Obligation Bonds, Series 2009B, due in annual installments of \$315,000 to \$505,000 with interest at 2.00% to 2.50%. The last payment is due December 1, 2014.	Debt Service	1,355,000	-	410,000	945,000	440,000
\$2,855,000 General Obligation Refunding Bonds, Series 2010, due in annual installments of \$20,000 to \$280,000 with interest at 1.50% to 3.25%. The last payment is due December 1, 2022.	Debt Service	2,635,000	-	205,000	2,430,000	215,000
\$9,925,000 General Obligation Refunding Bonds, Series 2011, due in annual installments of \$40,000 to \$2,450,000 with interest at 2% to 4%. The last payment is due December 1, 2026.	Debt Service	9,805,000	-	40,000	9,765,000	40,000

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Due Within One Year
GOVERNMENTAL ACTIVITIES (Continued)						
\$9,670,000 General Obligation Refunding Bonds, Series 2012A, due in annual installments of \$85,000 to \$2,145,000 with interest at 2%. The last payment is due December 1, 2022.	Debt Service	\$ 9,670,000	\$ -	\$ 110,000	\$ 9,560,000	\$ 85,000
Total bonds		53,730,000	-	5,835,000	47,895,000	6,160,000
Unamortized premium		618,150	-	78,637	539,513	78,637
Unamortized discount		(16,322)	-	(5,441)	(10,881)	(5,441)
Total debt service fund bonds		54,331,828	-	5,908,196	48,423,632	6,233,196
Compensated absences	General	3,062,617	512,668	306,262	3,269,023	326,902
Compensated absences	Internal Service	170,859	42,628	25,629	187,858	28,180
Net pension obligation (Police)	General	1,616,799	-	123,705	1,493,094	-
Net pension obligation (IMRF)	General	797,032	71,968	869,000	-	-
Other postemployment benefits obligation	General	3,302,830	183,703	-	3,486,533	-
Other postemployment benefits obligation	Internal Service	144,150	8,536	-	152,686	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 63,426,115	\$ 819,503	\$ 7,232,792	\$ 57,012,826	\$ 6,588,278
BUSINESS-TYPE ACTIVITIES						
Compensated absences	Water and Sewer	\$ 409,856	\$ 73,551	\$ 61,478	\$ 421,929	\$ 63,289
Other postemployment benefits obligation	Water and Sewer	156,681	5,601	-	162,282	-
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 566,537	\$ 79,152	\$ 61,478	\$ 584,211	\$ 63,289

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Activities	
	Principal	Interest
2014	\$ 6,160,000	\$ 1,575,600
2015	6,440,000	1,392,375
2016	5,155,000	1,196,413
2017	3,855,000	1,001,100
2018	3,625,000	863,250
2019	3,655,000	742,525
2020	3,330,000	619,588
2021	2,310,000	509,875
2022	2,465,000	460,075
2023	2,555,000	406,400
2024	2,450,000	333,800
2025	2,520,000	235,800
2026	1,895,000	135,000
2027	1,480,000	59,200
TOTAL	<u>\$ 47,895,000</u>	<u>\$ 9,531,001</u>

d. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due from/to other funds at April 30, 2013 consist of the following:

Receivable Fund	Payable Fund	Amount
General	Fiduciary - Police Pension	\$ 2,248,311
General	Fiduciary - Firefighters' Pension	2,408,905
General	Community Development Block Grant	29,042
TOTAL		<u>\$ 4,686,258</u>

The amounts due from the Community Development Block Grant Fund are to eliminate negative cash balances at year end. The amounts due from the pension funds to the General Fund represent short-term advances of contributions to be recognized in fiscal 2014.

b. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General	\$ -	\$ 5,371,900
Debt Service	1,035,500	-
Nonmajor Governmental		
CDBG	-	150,000
TIF I South	-	7,356
Fire Academy	-	32,891
TIF III	-	261,750
TIF II North	7,356	-
TIF V	-	351,850
Emerald Ash Borer	2,700,000	-
Capital Projects	1,032,891	-
Flood Control Phase V	1,000,000	-
Internal Service		
Fleet Operations	400,000	-
Health Insurance	-	1,116,214
Retiree Health	1,116,214	-
TOTAL ALL FUNDS	<u>\$ 7,291,961</u>	<u>\$ 7,291,961</u>

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Transfers (Continued)

The purposes of significant interfund transfers are as follows:

- \$271,900, \$150,000, \$261,750 and \$351,850 transferred from the General, CDBG, TIF III and TIF V Funds, respectively, are for debt service payments.
- \$1,116,214 transferred from the Health Insurance Fund to the Retiree Health Fund to fund retiree medical insurance.
- \$400,000 transferred from the General Fund to the Fleet Operations Fund to repay prior borrowing.
- \$2,700,000 transferred from the General Fund to the Emerald Ash Borer Fund to fund initial costs of the emerald ash borer program.
- \$1,000,000 and \$1,000,000 transferred from the General Fund to finance capital infrastructure needs.

9. COMMITMENTS

a. High-Level Excess Liability Pool

The Village has committed to purchase excess liability insurance from the POOL, an insurance pool of Illinois municipalities, through April 30, 2018. There is no minimum annual commitment amount for the purchase of this insurance coverage.

Future premiums will be calculated using the Village's allocation percentage. The POOL agreement provides that each year members will be assessed based upon a formula which specifies the following four criteria for allocating premium costs:

Miles of streets
Full-time equivalent employees
Number of motor vehicles
Operating revenues

b. Northwest Water Commission

The Village has committed to purchase water from NWWC. The Village expects to pay the following minimum amounts:

Fiscal Year Ending April 30,	Amount
2014	\$ 256,862
TOTAL	\$ 256,862

This amount has been calculated using the Village's current allocation percentage of 35.87%.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. COMMITMENTS (Continued)

c. Solid Waste Agency of Northern Cook County

The Village has committed to make payments to SWANCC. The Village expects to pay the following minimum amounts:

Fiscal Year Ending April 30,	Amount
2014	\$ 648,588
TOTAL	\$ 648,588

This amount has been calculated using the Village's current allocation percentage of 11.13%.

10. ECONOMIC DEVELOPMENT

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of April 30, 2013, two agreements have been executed for stores that have opened. The agreements require the Village to rebate to the companies different amounts of additional sales tax generated by the facilities. One agreement requires 33% of sales tax and home-rule sales tax to be rebated in annual installments through December 31, 2016 or \$1,839,310, whichever occurs first. The second agreement requires 33% of sales tax to be rebated in annual installments through April 30, 2015 or \$1,580,000, whichever occurs first. The amount paid/accrued for the fiscal year ended April 30, 2013 was \$284,011. Total expenditures incurred to date in rebates as of April 30, 2013 was \$1,635,833.

11. CONTINGENT LIABILITIES

a. Litigation

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

In FY2008, the Village was sued by Village Green LLC (the Developer), a developer in the Village's Tax Increment Financing District #1 (TIF 1). The February 2008 lawsuit claims that the Village should have extended TIF 1 for one additional year through tax levy year 2006, payable in 2007, which would have allowed the Developer to qualify for payment using TIF 1 funds on a Developer Note outlined in the Village Green Redevelopment Agreement. If funds were available, the payment on the Developer Note would have been between \$1 - \$2 million. The Village stands

11. CONTINGENT LIABILITIES (Continued)

a. Litigation (Continued)

by its assertion that Cook County records show that the 23rd and final year of TIF 1 was the 2005 tax levy payable in 2006. This was confirmed and implemented by Cook County, which is the entity that administers tax levies and collections for all taxing districts within the County. The Village has not received any further payments from Cook County for TIF 1 after December 31, 2006. Village attorneys are of the opinion that the lawsuit is without merit.

Furthermore, since 2005 the Village has sought collection from the Developer on Investor Notes outlined in the Village Green Redevelopment Agreement. The Village asserts that the amount owed on the Investor Notes is \$231,481 plus interest. The Investor Notes represent a promise by the Developer that the net revenue generated by Village Green Development would match or exceed the projected net revenue on an annual basis, and if that target was not met the Developer would pay the Village the difference. The net revenue from the Village Green Development did not meet the projected net revenue in FY2005 and FY2006. In February 2008, the Village sued the Developer seeking payment on the Investor Notes.

b. Grants

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

c. High-Level Excess Liability Pool

The Village's agreement with the POOL provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

d. Northwest Water Commission (NWWC)

The Village's water purchase contract with NWWC provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. CONTINGENT LIABILITIES (Continued)

e. Solid Waste Agency of Northern Cook County (SWANCC)

The Village's contract with SWANCC provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

12. JOINT VENTURES

a. Northwest Water Commission (NWWC)

Description of Joint Venture

The Village is a member of NWWC which consists of four municipalities. NWWC is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). NWWC is empowered under the Act to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

The four members of NWWC and their percentage shares as of April 30, 2013 are as follows:

	<u>% Share</u>
Village of Arlington Heights	35.87
Village of Buffalo Grove	17.70
Village of Palatine	29.06
Village of Wheeling	<u>17.37</u>
	<u>100.00</u>

These percentage shares are based on a formula contained in the water supply agreement (the NWWC Agreement) and are subject to change in future years based on consumption by the municipalities.

The members form a contiguous geographic service area which is located northwest of downtown Chicago. Under the NWWC Agreement, additional members may join NWWC upon the approval of each member.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. JOINT VENTURES (Continued)

a. Northwest Water Commission (NWWC) (Continued)

Description of Joint Venture (Continued)

NWWC is governed by a Board of Commissioners which consists of one Village Manager from each member municipality. Each Commissioner has an equal vote. The officers of NWWC are appointed by the Board of Commissioners. The Board of Commissioners determines the general policy of NWWC, makes all appropriations, approves contracts for sale or purchase of water, adopts resolutions providing for the issuance of bonds or notes by NWWC, adopts by-laws, rules and regulations and exercises such powers and performs such duties as may be prescribed in NWWC Agreement or the by-laws.

Summary Financial Information of Joint Venture

Summary of financial position as of April 30, 2013:

ASSETS

Current assets	\$ 2,325,395
Restricted assets	11,684,697
Capital assets	<u>30,103,895</u>
Total assets	<u>44,113,987</u>

LIABILITIES

Current liabilities	<u>3,249,715</u>
Total liabilities	<u>3,249,715</u>

NET POSITION

Net investment in capital assets	27,908,894
Restricted	9,429,334
Unrestricted	<u>3,526,044</u>
NET POSITION	<u>\$ 40,864,272</u>

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. JOINT VENTURES (Continued)

a. Northwest Water Commission (NWWC) (Continued)

Summary Financial Information of Joint Venture (Continued)

Summary of revenues, expenses and changes in net position for the year ended
April 30, 2013:

Total revenues	\$ 9,657,915
Total expenses	<u>7,626,237</u>
Operating income before depreciation	2,031,678
Depreciation	<u>1,757,343</u>
Operating income	274,335
Other income (expense)	<u>10,530</u>
CHANGE IN NET POSITION	<u>\$ 284,865</u>

Complete financial statements for NWWC can be obtained from NWWC's administrative office at 1525 North Wolf Road, Des Plaines, Illinois 60016. Financial information as of April 30, 2013 is the most recent available as of the date of this report.

NWWC's bonds are revenue obligations. They are limited obligations of NWWC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by NWWC resolutions. The bonds are not a debt of any member. NWWC has no power to levy taxes.

Revenues of the system consist of (1) all receipts derived from Water Supply Contracts or any other contract for the supply of water; (2) all income derived from the investment of monies and (3) all income, fees, water service charges and all grants, rents and receipts derived by NWWC from the ownership and operation of the system and the sale of water.

NWWC covenants to establish fees and charges sufficient to provide revenue to meet all its requirements.

NWWC has entered into Water Supply Contracts with the four member municipalities for a term of 40 years, extending to 2030. The Water Supply Contracts are irrevocable and may not be terminated or amended except as provided in the Water Supply Contracts. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual quantity of water.

12. JOINT VENTURES (Continued)

a. Northwest Water Commission (NWWC) (Continued)

Summary Financial Information of Joint Venture (Continued)

NWWC has entered into an agreement with the City of Evanston, Illinois (the City) under which the City has agreed to sell quantities of lake water sufficient to supply the projected water needs of NWWC through the year 2030.

The obligation of the Village to make all payments as required by the Water Supply Contracts is unconditional and irrevocable, without regard to performance or nonperformance by NWWC of its obligations under the Water Supply Contracts.

The payments required to be made by the Village under the Water Supply Contracts are required to be made solely from revenues to be derived by the Village from the operation of the Village's system. The Village is not prohibited by the Water Supply Contracts from using any other available funds to make the payments required by the Water Supply Contracts. The Water Supply Contracts shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$3,463,906 to NWWC for 2013. The Village's equity interest in NWWC was \$14,923,360 at April 30, 2013. The Village's net investment and its share of the operating results of NWWC are recorded in the Village's Water and Sewer Fund.

b. Solid Waste Agency of Northern Cook County (SWANCC)

Description of Joint Venture

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate 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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. JOINT VENTURES (Continued)

b. Solid Waste Agency of Northern Cook County (SWANCC) (Continued)

Description of Joint Venture (Continued)

The members of SWANCC and their percentage shares based on formula contained in SWANCC agreement as of April 30, 2013 are:

	<u>% Share</u>		<u>% Share</u>
Arlington Heights	11.13	Mount Prospect	8.05
Barrington	1.65	Niles	3.44
Buffalo Grove	6.37	Palatine	9.14
Elk Grove Village	5.77	Park Ridge	5.08
Evanston	7.91	Prospect Heights	1.38
Glencoe	1.53	Rolling Meadows	2.90
Glenview	4.77	Skokie	8.15
Hoffman Estates	3.71	South Barrington	0.70
Inverness	1.15	Wheeling	4.06
Kenilworth	0.81	Wilmette	4.23
Lincolnwood	1.84	Winnetka	3.09
Morton Grove	3.14		
			<u>100.00</u>

These percentage shares are 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 SWANCC Agreement, additional members may join SWANCC upon the approval of all members.

SWANCC is governed by a Board of Directors which consists of the Mayor or President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors 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 SWANCC Agreement or the by-laws.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. JOINT VENTURES (Continued)

b. Solid Waste Agency of Northern Cook County (SWANCC) (Continued)

Summary Financial Information of Joint Venture

Summary of financial position as of April 30, 2012 (most recent audited financial statements):

ASSETS		LIABILITIES AND NET POSITION	
Current assets	\$ 3,426,814	Current liabilities	\$ 4,517,395
Restricted assets	2,939,109	Long-term liabilities	<u>3,641,584</u>
Capital assets	10,753,169	Total liabilities	8,158,979
Other assets	<u>39,921</u>	Net position	<u>9,000,034</u>
 TOTAL ASSETS	 <u>\$ 17,159,013</u>	 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 17,159,013</u>

Summary of revenues, expenses and changes in net position for the year ended April 30, 2012 (most recent audited financial statements):

Total revenues	\$ 15,681,910
Total expenses	<u>14,695,938</u>
Operating income	985,972
Net nonoperating revenue (expenses)	<u>(171,098)</u>
NET INCOME	<u>\$ 814,874</u>

Complete financial statements for SWANCC can be obtained from SWANCC's administrative office at 1616 East Golf Road, Des Plaines, Illinois, 60016. Financial information as of April 30, 2012 is the most recent available as of the date of this report.

SWANCC's bonds are revenue obligations. They are limited obligations of SWANCC with a claim for payment solely from and secured by a pledge of the revenues of the system and amounts in various funds and accounts established by SWANCC resolutions. The bonds are not a debt of any member. SWANCC has no power to levy taxes.

12. JOINT VENTURES (Continued)

b. Solid Waste Agency of Northern Cook County (SWANCC) (Continued)

Summary Financial Information of Joint Venture (Continued)

Revenues of the system consist of (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees, service charges and all grants, rents and receipts derived by SWANCC from the ownership and operation of the system.

SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into Solid Waste Disposal Contracts with the member municipalities. The Solid Waste Disposal Contracts are irrevocable and may not be terminated or amended except as provided in the Solid Waste Disposal Contracts. 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 Village to make all payments as required by the Solid Waste Disposal Contracts are unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the Solid Waste Disposal Contracts.

The payments required to be made by the Village under the Solid Waste Disposal Contracts are required to be made solely from revenues to be derived by the Village from the operation of the Village’s system. The Village is not prohibited by Solid Waste Disposal Contracts from using any other available funds to make the payments required by the Solid Waste Disposal Contracts. The Solid Waste Disposal Contracts shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$1,312,457 to SWANCC for 2013, which is recorded in the Village’s Solid Waste Disposal Fund.

The Village does not have an equity interest in SWANCC.

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village 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 separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

c. Membership

At April 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	227
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	474
	<hr/>
TOTAL	701
	<hr/>
Participating employers	1
	<hr/>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net Increase in OPEB Obligation
April 30, 2011	\$ 846,153	\$ 585,079	68.4%	\$ 261,074
April 30, 2012	848,391	637,736	75.2%	210,655
April 30, 2013	841,359	643,520	76.5%	197,839

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 810,468
Interest on net OPEB obligation	162,165
Adjustment to annual required contribution	<u>(131,274)</u>
Annual OPEB cost	841,359
Contributions made	<u>643,520</u>
Increase in net OPEB obligation	197,839
Net OPEB obligation, beginning of year	<u>3,603,662</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 3,801,501</u>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of April 30, 2012 (most recent data available) was as follows:

Actuarial accrued liability (AAL)	\$ 14,542,721
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	14,542,721
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ N/A
UAAL as a percentage of covered payroll	N/A

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

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

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

In the April 30, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.5% and an initial healthcare cost trend rate of 9.0% with an ultimate healthcare inflation rate of 5.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012 was 30 years.

14. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained online at www.imrf.org.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the calendar year ended 2012 was 13.13% of covered payroll. The Village's contribution rate for fiscal year 2013 is 14.17% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by ILCS (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

At May 1, 2012, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	79
Terminated employees entitled to benefits but not yet receiving them	-
Inactive members	6
Current employees	
Vested	89
Nonvested	19
	<hr/>
TOTAL	<hr/> <hr/> 193

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2013, the Village's contribution was 44.94% of covered payroll.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by ILCS (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund. At May 1, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	93
Terminated employees entitled to benefits but not yet receiving them	-
Inactive members	-
Current employees	
Vested	72
Nonvested	36
	<hr/>
TOTAL	201
	<hr/>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2013, the Village's contribution was 49.03% of covered payroll.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due. Benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Administrative Costs

Administrative costs for the Police and Firefighters' Pension Plans are financed primarily through investment earnings.

c. Significant Investments

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

d. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2010	May 1, 2012	May 1, 2012
Actuarial cost method	Entry-age Normal	Projected Unit Credit	Projected Unit Credit
Asset valuation method	5 Year Smoothed Market	3 Year Smoothed Market	3 Year Smoothed Market
Amortization method	Level Percentage of Projected Payroll - Open Basis	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis
Amortization period	30 Years	28 Years	28 Years

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	Not Available	Not Available
d) Postretirement benefit increases	3.00%	3.00% Compounded Annually	3.00% Compounded Annually

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

		Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2011	\$ 2,542,838	\$ 3,691,523	\$ 4,175,702
	2012	3,565,249	4,313,030	4,549,364
	2013	3,170,441	4,164,295	4,566,780
Actual contributions	2011	\$ 2,542,838	\$ 3,378,900	\$ 3,948,000
	2012	2,754,797	4,038,031	4,470,608
	2013	3,967,473	4,288,000	4,588,000
Percentage of APC contributed	2011	100.00%	91.53%	94.55%
	2012	77.27%	93.62%	98.27%
	2013	100.00%	100.03%	100.46%
NPO (asset)	2011	\$ -	\$ 1,341,800	\$ (1,359,654)
	2012	797,032	1,616,799	(1,280,898)
	2013	-	1,493,094	(1,302,118)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

14. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Annual Pension Costs (Continued)

The NPO (asset) as of April 30, 2013 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual required contribution	\$ 3,170,441	\$ 4,136,305	\$ 4,588,979
Interest on net pension obligation	-	113,176	(89,663)
Adjustment to annual required contribution	-	(85,186)	67,464
Annual pension cost	3,170,441	4,164,295	4,566,780
Contributions made	3,967,473	4,288,000	4,588,000
Change in net pension obligation	(797,032)	(123,705)	(21,220)
Net pension obligation, beginning of year	797,032	1,616,799	(1,280,898)
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ -	\$ 1,493,094	\$ (1,302,118)

e. Funded Status and Funding Progress

The funded status and funding progress of the plans as of May 1, 2012 for Police and Firefighters' and December 31, 2012 for IMRF were as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2012	May 1, 2012	May 1, 2012
Actuarial accrued liability (AAL)	\$ 71,966,783	\$ 119,865,229	\$ 113,820,619
Actuarial value of plan assets	49,110,516	85,172,648	71,120,366
Unfunded actuarial accrued liability (UAAL)	22,856,267	34,692,581	42,700,253
Funded ratio (actuarial value of plan assets/AAL)	68.24%	71.06%	62.48%
Covered payroll (active plan members)	\$ 22,540,828	\$ 9,542,237	\$ 9,356,784
UAAL as a percentage of covered payroll	101.40%	363.57%	456.36%

The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 14.d.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. PENSION TRUST FUNDS

a. Schedule of Net Position as of April 30, 2013

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,505,182	\$ 1,580,218	\$ 3,085,400
Investments			
U.S. Government and agency obligations	43,331,933	9,623,810	52,955,743
Equity securities	22,261,816	7,413,462	29,675,278
Illinois funds	3,731,432	2,902,807	6,634,239
Mutual funds	21,205,993	43,423,565	64,629,558
Commercial paper	-	5,926,747	5,926,747
Corporate bonds	-	5,560,169	5,560,169
Municipal bonds	-	1,817,539	1,817,539
Receivables			
Accrued interest	228,844	205,603	434,447
Other	4,307	5,084	9,391
Total assets	92,269,507	78,459,004	170,728,511
LIABILITIES			
Accounts payable	42	51	93
Due to other funds	2,248,311	2,408,905	4,657,216
Other payables	7,245	-	7,245
Total liabilities	2,255,598	2,408,905	4,664,554
NET POSITION	\$ 90,013,909	\$ 76,050,050	\$ 166,063,959

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

15. PENSION TRUST FUNDS (Continued)

b. Schedule of Changes in Net Position for the year ended April 30, 2013

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 4,288,000	\$ 4,588,000	\$ 8,876,000
Participants	951,223	911,619	1,862,842
Other	407,519	7,357	414,876
Total contributions	5,646,742	5,506,976	11,153,718
Investment income			
Net appreciation in fair value of investments	5,027,526	5,401,091	10,428,617
Interest income	2,460,576	1,788,421	4,248,997
Subtotal	7,488,102	7,189,512	14,677,614
Less investment expense	(252,279)	(204,594)	(456,873)
Net investment income	7,235,823	6,984,918	14,220,741
Total additions	12,882,565	12,491,894	25,374,459
DEDUCTIONS			
Administrative	38,815	23,642	62,457
Pension benefits and refunds	4,398,500	5,147,661	9,546,161
Total deductions	4,437,315	5,171,303	9,608,618
NET INCREASE	8,445,250	7,320,591	15,765,841
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	81,568,659	68,729,459	150,298,118
April 30	\$ 90,013,909	\$ 76,050,050	\$ 166,063,959

16. COMPONENT UNIT - ARLINGTON HEIGHTS MEMORIAL LIBRARY

a. Summary of Significant Accounting Policies

The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Library's accounting policies are described below.

1. Reporting Entity

The Library operates and maintains the public library within the Village. The Library is a legally separate entity whose board is elected by the voters of the Village. The Library may not issue bonded debt without the Village's approval. The Library Board has exclusive control of the expenditure of all monies collected for the Library and deposited to the credit of the Library Fund. As required by generally accepted accounting principles, these financial statements present the Library and any existing component units. Currently, the Library does not have any component units and has been determined to be a component unit of the Village.

2. Fund Accounting

The accounts of the Library are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The financial position and changes in financial position of the Library's funds are reported in the basic financial statements of the Village as a component unit.

Funds are classified as governmental funds.

The General Fund is used to account for all general activities of the Library not accounted for in some other fund.

16. COMPONENT UNIT - ARLINGTON HEIGHTS MEMORIAL LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

3. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Library. Governmental activities are normally supported by taxes, fees and intergovernmental revenues.

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

The Library reports the following major governmental fund:

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. The Library recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

16. COMPONENT UNIT - ARLINGTON HEIGHTS MEMORIAL LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

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

Those revenues susceptible to accrual are property taxes and interest revenue. Fine revenue is not susceptible to accrual because generally it is not measurable until received in cash.

The Library reports unearned/unavailable revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/unavailable revenues also arise when resources are received by the Library before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Library has a legal claim to the resources, the liability for unearned/unavailable revenue is removed and revenue is recognized.

5. Cash and Investments

The Library's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments with a maturity less than one year are stated at cost or amortized cost; any greater than one year when purchased are stated at fair value.

6. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets, except for books for which the amount is \$25, are defined by the Library as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

16. COMPONENT UNIT - ARLINGTON HEIGHTS MEMORIAL LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

6. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Equipment, furniture and fixtures	5-10

7. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of governmental activities are recorded as an expense and liability as the benefits accrue to employees.

8. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or are legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the Library. Committed fund balance is constrained by formal actions of the Library's Board of Trustees, which is considered the Library's highest level of decision making authority. Formal actions include resolutions and ordinances approved by the Board of Trustees.

Assigned fund balance represents amounts constrained by the Library's intent to use them for a specific purpose. The authority to assign fund balance has not been delegated by the Fund Balance Policy. Any residual fund balance in the General Fund and any deficit fund balance of any other governmental fund are reported as unassigned.

16. COMPONENT UNIT - ARLINGTON HEIGHTS MEMORIAL LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

8. Fund Balances/Net Position (Continued)

The Library's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Library considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Library's restricted net position resulted from enabling legislation adopted by the Library. Net investment in capital assets is the book value of capital assets less any long-term debt outstanding that was issued to construct or acquire the capital assets.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes				
Property taxes	\$ 20,082,580	\$ 20,082,580	\$ 19,962,078	\$ 19,011,589
Other taxes	29,440,000	29,440,000	29,145,497	29,682,182
Licenses and permits	3,522,500	3,522,500	4,289,920	3,618,724
Intergovernmental	6,043,000	6,043,000	6,768,141	6,135,155
Grants	163,000	172,800	223,241	261,065
Charges for services	2,070,700	2,070,700	2,052,554	2,030,165
Fines and fees	4,338,200	4,338,200	4,934,408	4,541,895
Investment income	130,000	130,000	92,514	87,787
Rents and reimbursables	420,200	420,200	436,635	431,382
Miscellaneous	290,920	290,920	329,880	363,774
Total revenues	66,501,100	66,510,900	68,234,868	66,163,718
EXPENDITURES				
Current				
General government	4,748,900	5,349,062	4,698,107	5,890,843
Public safety	41,947,000	42,019,614	41,358,380	40,356,464
Highways and streets	11,271,100	11,543,529	9,936,239	7,826,633
Community development	5,097,700	5,140,633	4,858,768	4,734,196
Health and welfare	1,997,300	1,997,300	1,873,658	1,853,564
Total expenditures	65,062,000	66,050,138	62,725,152	60,661,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,439,100	460,762	5,509,716	5,502,018
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(631,900)	(5,731,900)	(5,371,900)	(2,869,900)
Total other financing sources (uses)	(631,900)	(5,731,900)	(5,371,900)	(2,869,900)
NET CHANGE IN FUND BALANCE	\$ 807,200	\$ (5,271,138)	137,816	2,632,118
FUND BALANCE, MAY 1			23,043,607	20,411,489
FUND BALANCE, APRIL 30			\$ 23,181,423	\$ 23,043,607

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded (Assets in Excess of) Actuarial Accrued Liability (2)-(1)	(5) Covered Payroll	Unfunded (Assets in Excess of) Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2007	\$ 54,180,908	\$ 63,494,645	85.33%	\$ 9,313,737	\$ 22,771,008	40.90%
2008	45,813,365	69,004,236	66.39%	23,190,871	24,048,850	96.43%
2009	49,309,278	71,648,428	68.82%	22,339,150	24,788,996	90.12%
2010	50,606,529	72,376,162	69.92%	21,769,633	22,717,051	95.83%
2011	49,241,073	72,973,641	67.48%	23,732,568	22,580,121	105.10%
2012	49,110,516	71,966,783	68.24%	22,856,267	22,540,828	101.40%

Schedule of Employer Contributions

Fiscal Year	Employer Actual Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 3,008,511	\$ 3,008,511	100.00%
2009	2,981,957	2,981,957	100.00%
2010	2,698,054	2,698,054	100.00%
2011	2,542,838	2,542,838	100.00%
2012	2,754,797	3,551,829	77.56%
2013	3,967,566	3,170,441	125.14%

Note: In 2013, the Village made additional contributions of \$643,755 and the Library made additional contributions of \$225,245 to IMRF.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

POLICE PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (2)-(1)	(5) Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2007	\$ 70,167,689	\$ 80,956,261	86.67%	\$ 10,788,572	\$ 8,277,378	130.34%
2008	74,937,672	85,788,269	87.35%	10,850,597	8,718,245	124.46%
2009	74,802,592	92,005,341	81.30%	17,202,749	9,436,305	182.30%
2010	75,274,881	102,820,670	73.17%	27,545,789	9,515,150	289.50%
2011	78,078,416	114,638,854	68.11%	36,560,438	9,828,699	371.98%
2012	85,172,648	119,865,229	71.06%	34,692,581	9,542,237	363.57%

Schedule of Employer Contributions

Fiscal Year	Employer Actual Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 2,285,000	\$ 2,244,687	101.80%
2009	2,307,800	2,235,266	103.24%
2010	2,442,000	2,875,430	84.93%
2011	3,378,900	3,679,006	91.84%
2012	4,038,031	4,288,185	94.17%
2013	4,288,000	4,136,305	103.67%

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (2)-(1)	(5) Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
2007	\$ 54,865,596	\$ 76,970,458	71.28%	\$ 22,104,862	\$ 8,071,755	273.85%
2008	58,541,413	80,785,619	72.47%	22,244,206	8,410,031	264.50%
2009	58,792,172	86,426,401	68.03%	27,634,229	8,891,600	310.79%
2010	60,749,266	95,558,209	63.57%	34,808,943	9,139,243	380.87%
2011	64,457,391	108,856,813	59.21%	44,399,422	8,989,722	493.89%
2012	71,120,366	113,820,619	62.48%	42,700,253	9,356,784	456.36%

Schedule of Employer Contributions

Fiscal Year	Employer Actual Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 2,856,000	\$ 2,977,176	95.93%
2009	3,109,350	3,098,424	100.35%
2010	3,244,000	3,554,720	91.26%
2011	3,948,000	4,175,702	94.55%
2012	4,470,608	4,574,540	97.73%
2013	4,566,780	4,588,979	99.52%

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
OTHER POSTEMPLOYMENT BENEFITS PLAN
REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 20,783,027	0.00%	\$ 20,783,027	\$ 39,349,404	52.82%
2010	-	13,623,926	0.00%	13,623,926	39,965,963	34.33%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	14,542,721	0.00%	14,542,721	39,685,600	56.64%
2013	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ended April 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 187,921	\$ 1,757,652	10.69%
2010	204,833	1,767,035	11.59%
2011	585,079	819,305	71.41%
2012	637,736	848,391	75.17%
2013	643,520	810,468	79.40%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available.

N/A - Information not available.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

OTHER POSTEMPLOYMENT BENEFITS PLAN

REQUIRED SUPPLEMENTARY INFORMATION
ARLINGTON HEIGHTS MEMORIAL LIBRARY

April 30, 2013

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 2,386,457	0.00%	\$ 2,386,457	\$ 6,288,263	37.95%
2010	-	1,564,397	0.00%	1,564,397	4,556,987	34.33%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	1,669,900	0.00%	1,669,900	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Year Ended April 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 21,578	\$ 201,826	10.69%
2010	23,520	201,826	11.65%
2011	67,183	94,079	71.41%
2012	73,299	94,079	77.91%
2013	73,894	96,611	76.49%

The Library implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available. The amounts above are allocated based on the Library's portion of the total village net other postemployment benefits obligation.

N/A - Information not available.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

1. BUDGETS

At the first Committee-of-the-Whole (the Committee) meeting in March, the Village Manager submits to the Committee his proposed operating budget for the fiscal year commencing the following May 1. It is for the period May 1 through April 30 and contains a budget for all funds at a line item level within each fund. The Village Manager's budget includes proposed expenditures and the means for financing them. Preceding this meeting a number of budget review meetings are held with the Village Board in February.

Public hearings are conducted in March and April to obtain citizen comments on the Village Manager's proposed budget (January for Community Development Block Grant (CDBG) funds).

At the first Village Board meeting in April, the Board of Trustees considers the proposed operating budget for the fiscal year commencing the following May 1 as approved by the Committee.

Prior to May 1, the budget, which by State law also serves as the appropriation ordinance, is adopted by the Board of Trustees and constitutes the legal budget of the Village.

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

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

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service and Pension Trust funds. All annual appropriations lapse at fiscal year end.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN
INDIVIDUAL FUNDS

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

Fund	Expenditures	Budget	Excess
Internal Service			
Workers' Compensation	\$ 2,150,220	\$ 1,664,200	\$ 486,020
Retiree Health Insurance	2,741,629	2,416,100	325,529

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - to account for resources traditionally associated with governments that are not accounted for in another fund.

DEBT SERVICE FUND

Debt Service Fund - to accumulate monies for payment of principal and interest on general obligation bonds.

CAPITAL PROJECTS FUND

Capital Projects Fund - to account for the costs of miscellaneous capital improvement projects and equipment replacement. Financing is provided by earmarking revenues to provide for the costs associated with the projects. Major projects include: road improvements, curb replacement, paving maintenance and sidewalk replacement/installation.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

BALANCE SHEET

April 30, 2013
(With Actual at April 30, 2012)

	2013	2012
ASSETS		
Cash and investments	\$ 23,527,930	\$ 21,966,104
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	10,254,263	9,718,490
Other taxes	5,993,888	7,679,751
Accrued interest	8,727	16,885
Other	1,204,073	1,077,749
Prepaid items	110,880	43,169
Due from other funds	29,042	-
Due from fiduciary funds	4,657,216	4,488,560
Inventory	97,499	78,323
TOTAL ASSETS	\$ 45,883,518	\$ 45,069,031
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 749,002	\$ 794,115
Accrued payroll	652,390	566,098
Payroll taxes payable	335,022	291,208
Unearned revenue	4,000	51,423
Total liabilities	1,740,414	1,702,844
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	20,961,681	20,322,580
Total deferred inflows of resources	20,961,681	20,322,580
Total liabilities and deferred inflows of resources	22,702,095	22,025,424
FUND BALANCES		
Nonspendable		
Prepaid items	110,880	43,169
Inventory	97,499	78,322
Unrestricted		
Assigned		
Wellness programs	46,962	49,443
Disabled citizens programs	14,429	13,965
Emergency assistance programs	89,539	78,291
Senior center maintenance	442,000	459,000
Unassigned	22,380,114	22,321,417
Total fund balances	23,181,423	23,043,607
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 45,883,518	\$ 45,069,031

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
TAXES				
Property taxes	\$ 20,082,580	\$ 20,082,580	\$ 19,962,078	\$ 19,011,589
Other taxes				
Municipal sales tax	10,534,000	10,534,000	10,333,345	10,519,988
Hotel tax	940,000	940,000	959,547	885,190
State use tax	1,100,000	1,100,000	1,190,737	1,101,284
Replacement tax	340,000	340,000	415,244	410,962
Food/beverage tax	1,692,000	1,692,000	1,843,377	1,750,023
Sales tax - home rule	5,112,000	5,112,000	4,935,567	5,172,893
Telecommunications tax	3,800,000	3,800,000	3,606,605	4,269,272
Natural gas utility tax	2,190,000	2,190,000	2,150,226	1,904,929
Electric utility tax	3,450,000	3,450,000	3,418,484	3,361,022
Other taxes	282,000	282,000	292,365	306,619
	<u>29,440,000</u>	<u>29,440,000</u>	<u>29,145,497</u>	<u>29,682,182</u>
 Total taxes	 49,522,580	 49,522,580	 49,107,575	 48,693,771
LICENSES AND PERMITS				
Vehicle licenses	1,300,000	1,300,000	1,307,985	1,317,857
Business licenses	625,000	625,000	686,330	708,949
Dog licenses	68,000	68,000	67,105	67,636
Liquor licenses	425,000	425,000	387,732	434,896
Public chauffeur licenses	5,000	5,000	4,235	4,270
Multi-dwelling licenses	74,000	74,000	90,154	72,765
Building permits	750,000	750,000	1,461,806	724,542
Electrical permits	90,000	90,000	92,620	97,789
Plumbing permits	75,000	75,000	81,015	72,360
Sign permits	8,000	8,000	13,120	19,760
Elevator permits	45,000	45,000	47,513	50,720
Occupancy permits	25,000	25,000	20,050	22,070
Driveway permits	5,000	5,000	1,392	2,123
Air conditioner permits	8,000	8,000	12,038	10,557
Swimming pool permits	1,500	1,500	2,652	1,625
Chimney permits	2,000	2,000	1,738	3,176
After the Fact permit	-	-	-	130
Wrecking and other permits	16,000	16,000	12,435	7,499
	<u>3,522,500</u>	<u>3,522,500</u>	<u>4,289,920</u>	<u>3,618,724</u>
INTERGOVERNMENTAL				
Shared income tax	6,043,000	6,043,000	6,768,141	6,135,155
	<u>6,043,000</u>	<u>6,043,000</u>	<u>6,768,141</u>	<u>6,135,155</u>
GRANTS				
Counselor in the park	23,000	23,000	23,000	23,000
Too Good for Drugs contributions	-	-	928	-
Training reimbursement	10,000	10,000	13,716	18,528
Task force reimbursement	-	-	45,621	27,611
Other grants	130,000	139,800	139,976	191,926
	<u>163,000</u>	<u>172,800</u>	<u>223,241</u>	<u>261,065</u>

(This schedule is continued on the following pages.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
CHARGES FOR SERVICES				
Escrow deposits	\$ 6,000	\$ 6,000	\$ 2,502	\$ 3,606
Guaranteed bonds	8,000	8,000	1,686	2,859
Parking	345,700	345,700	345,700	329,200
Water	1,396,000	1,396,000	1,396,000	1,329,500
TIF	115,000	115,000	115,000	115,000
SWANCC	200,000	200,000	191,666	250,000
	<u>2,070,700</u>	<u>2,070,700</u>	<u>2,052,554</u>	<u>2,030,165</u>
FINES AND FEES				
Traffic court fines	260,000	260,000	256,086	249,259
Untagged dog fines	500	500	75.00	25.00
Parking fines	275,000	275,000	274,038	336,420
Compliance ticket fines	30,000	30,000	13,992	26,903
Ordinance ticket fines	60,000	60,000	99,301	95,340
Crime prevention fines	100	100	400	-
Other fines	15,000	15,000	25,840	17,707
Plan commission hearings	15,000	15,000	17,410	30,720
Reinspection fees	1,000	1,000	-	664
Rezoning fees	5,000	5,000	8,530	6,150
Plan exam fees	50,000	50,000	65,175	55,095
Fire plan examination fees	38,000	38,000	56,710	51,813
Engineering service fees	100,000	100,000	355,495	68,096
Ambulance service fees	1,675,000	1,675,000	1,701,230	1,613,577
Special police detail	190,000	190,000	214,435	245,136
Police counselor fees	278,000	278,000	267,684	300,744
Police records fees	10,000	10,000	10,121	11,179
Special fire detail	25,000	25,000	24,494	26,945
Chemical user fees	10,000	10,000	11,410	10,830
Haz-mat inspection/review	-	-	115	-
Weed cutting fees	17,000	17,000	12,643	8,447
Lien recording fees	500	500	-	100
Animal detention fees	1,000	1,000	420	770
Cable franchise fees	1,071,000	1,071,000	1,331,841	1,184,954
False alarm fees	75,000	75,000	58,150	67,315
Photocopy fees	1,100	1,100	215	651
DUI administration charges	110,000	110,000	88,000	97,800
Other fees	25,000	25,000	40,598	35,255
	<u>4,338,200</u>	<u>4,338,200</u>	<u>4,934,408</u>	<u>4,541,895</u>
INVESTMENT INCOME	<u>130,000</u>	<u>130,000</u>	<u>92,514</u>	<u>87,787</u>
RENTS AND REIMBURSABLES				
Sale - plans/specs	1,000	1,000	2,635	3,605
Sale - printed materials	100	100	-	77
Sale - scrap	2,000	2,000	1,337	2,111
Sale - signs	100	100	2,004	-
Damage claims	43,100	43,100	33,161	28,728

(This schedule is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
RENTS AND REIMBURSABLES (Continued)				
NWCDS building rent	\$ 271,900	\$ 271,900	\$ 271,863	\$ 269,863
Rents/concessions	70,000	70,000	103,459	87,370
Train station rents	20,000	20,000	9,820	27,252
Traffic signal control maintenance	12,000	12,000	12,356	12,376
	<u>420,200</u>	<u>420,200</u>	<u>436,635</u>	<u>431,382</u>
MISCELLANEOUS				
Senior center receipts	2,000	2,000	1,796	2,194
Wellness program	45,000	45,000	33,371	31,924
Disabled citizen donations	100	100	464	608
Arlington Heights Emergency Assistance	10,000	10,000	21,384	16,361
NWCH in lieu of property taxes	168,400	168,400	168,358	160,341
Bad debt recovery	5,420	5,420	18,700	8,558
ComEd rebate	-	-	-	13,683
Other income	60,000	60,000	85,807	130,105
	<u>290,920</u>	<u>290,920</u>	<u>329,880</u>	<u>363,774</u>
TOTAL REVENUES	<u>\$ 66,501,100</u>	<u>\$ 66,510,900</u>	<u>\$ 68,234,868</u>	<u>\$ 66,163,718</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Board of Trustees	\$ 175,500	\$ 175,500	\$ 161,622	\$ 152,913
Village Manager	902,600	915,417	901,490	857,280
Human resources	446,300	446,300	439,918	398,779
Legal	729,600	729,600	703,566	701,516
Finance	1,480,300	1,481,000	1,441,910	1,440,627
Boards and commissions	167,000	167,600	121,835	128,875
Municipal buildings and grounds	-	-	-	1,964,858
Other	847,600	1,433,645	927,766	245,995
	<u>4,748,900</u>	<u>5,349,062</u>	<u>4,698,107</u>	<u>5,890,843</u>
PUBLIC SAFETY				
Police	22,796,500	22,846,837	22,239,443	21,621,175
Fire	19,150,500	19,172,777	19,118,937	18,735,289
	<u>41,947,000</u>	<u>42,019,614</u>	<u>41,358,380</u>	<u>40,356,464</u>
HIGHWAYS AND STREETS				
Public works	11,271,100	11,543,529	9,936,239	7,826,633
COMMUNITY DEVELOPMENT				
Planning and community development	1,419,700	1,460,210	1,327,301	1,322,209
Building	2,073,200	2,074,200	2,025,075	1,931,522
Engineering	1,604,800	1,606,223	1,506,392	1,480,465
	<u>5,097,700</u>	<u>5,140,633</u>	<u>4,858,768</u>	<u>4,734,196</u>
HEALTH AND WELFARE				
Senior services	457,100	457,100	423,178	412,416
Health services	1,540,200	1,540,200	1,450,480	1,441,148
	<u>1,997,300</u>	<u>1,997,300</u>	<u>1,873,658</u>	<u>1,853,564</u>
TOTAL EXPENDITURES	<u>\$ 65,062,000</u>	<u>\$ 66,050,138</u>	<u>\$ 62,725,152</u>	<u>\$ 60,661,700</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Board of Trustees				
Salaries	\$ 30,900	\$ 30,900	\$ 22,400	\$ 22,400
Fringe benefits	6,600	6,600	4,078	3,886
Contractual services	136,100	136,100	133,280	125,452
Commodities	1,900	1,900	1,864	1,175
	<u>175,500</u>	<u>175,500</u>	<u>161,622</u>	<u>152,913</u>
Village Manager				
Salaries	611,200	613,700	609,234	591,933
Fringe benefits	217,900	217,900	218,530	205,389
Contractual services	64,100	74,417	68,094	51,563
Commodities	9,400	9,400	5,632	8,395
	<u>902,600</u>	<u>915,417</u>	<u>901,490</u>	<u>857,280</u>
Human Resources				
Salaries	180,200	180,200	179,455	170,989
Fringe benefits	200,500	200,500	201,161	140,285
Contractual services	43,300	43,300	41,784	68,120
Commodities	2,500	2,500	2,248	2,280
Other charges	19,800	19,800	15,270	17,105
	<u>446,300</u>	<u>446,300</u>	<u>439,918</u>	<u>398,779</u>
Legal				
Salaries	303,800	303,800	302,751	288,096
Fringe benefits	98,900	98,900	98,077	91,839
Contractual services	271,600	271,600	249,410	266,136
Commodities	10,300	10,300	9,595	11,449
Other charges	45,000	45,000	43,733	43,996
	<u>729,600</u>	<u>729,600</u>	<u>703,566</u>	<u>701,516</u>
Finance				
Salaries	846,500	846,500	823,559	828,343
Fringe benefits	289,300	289,300	285,379	283,637
Contractual services	316,700	316,700	305,637	304,092
Commodities	27,800	28,500	27,335	24,555
	<u>1,480,300</u>	<u>1,481,000</u>	<u>1,441,910</u>	<u>1,440,627</u>
Boards and Commissions				
Salaries	10,100	10,100	5,430	4,461
Fringe benefits	1,300	1,300	416	340
Contractual services	100,500	101,100	85,827	83,437
Commodities	4,700	4,700	702	1,383
Other charges	50,400	50,400	29,460	39,254
	<u>167,000</u>	<u>167,600</u>	<u>121,835</u>	<u>128,875</u>

(This schedule is continued on the following pages.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Municipal Buildings and Grounds				
Salaries	\$ -	\$ -	\$ -	\$ 505,136
Fringe benefits	-	-	-	227,875
Contractual services	-	-	-	1,032,531
Commodities	-	-	-	199,316
	-	-	-	1,964,858
Other				
Contingency	497,600	439,890	-	-
Other charges	350,000	350,000	284,011	245,995
IMRF NPO payoff	-	643,755	643,755	-
	847,600	1,433,645	927,766	245,995
Total general government	4,748,900	5,349,062	4,698,107	5,890,843
PUBLIC SAFETY				
Police				
Salaries	12,811,400	12,811,400	12,314,332	12,166,889
Fringe benefits	7,188,800	7,188,800	7,179,825	6,874,671
Contractual services	2,158,400	2,168,200	2,124,285	2,007,165
Commodities	535,400	575,937	518,842	476,149
Salaries - Police Grant	79,200	79,200	78,930	75,133
Fringe benefits - Police Grant	23,300	23,300	23,229	21,168
	22,796,500	22,846,837	22,239,443	21,621,175
Fire				
Salaries	10,350,900	10,350,900	10,432,248	10,240,077
Fringe benefits	6,955,500	6,955,500	6,956,169	6,829,983
Contractual services	1,443,500	1,443,500	1,413,705	1,333,470
Commodities	400,600	422,877	316,815	331,759
	19,150,500	19,172,777	19,118,937	18,735,289
Total public safety	41,947,000	42,019,614	41,358,380	40,356,464
HIGHWAYS AND STREETS				
Public Works				
Salaries	3,811,600	3,811,600	3,394,042	2,905,264
Fringe benefits	1,789,100	1,789,100	1,695,698	1,388,813
Contractual services	3,974,800	4,014,995	3,190,104	2,645,945
Commodities	1,695,600	1,927,834	1,656,395	886,611
Total highways and streets	11,271,100	11,543,529	9,936,239	7,826,633

(This schedule is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
COMMUNITY DEVELOPMENT				
Planning and Community Development				
Salaries	\$ 860,700	\$ 860,700	\$ 835,991	\$ 831,547
Fringe benefits	329,900	329,900	320,030	308,591
Contractual services	97,800	107,912	98,918	92,697
Commodities	15,300	16,047	13,650	12,630
Other charges	116,000	145,651	58,712	76,744
	<u>1,419,700</u>	<u>1,460,210</u>	<u>1,327,301</u>	<u>1,322,209</u>
Building Services				
Salaries	1,330,800	1,330,800	1,321,566	1,260,008
Fringe benefits	479,600	479,600	476,368	473,529
Contractual services	238,300	238,300	205,167	177,131
Commodities	24,500	25,500	21,974	20,854
	<u>2,073,200</u>	<u>2,074,200</u>	<u>2,025,075</u>	<u>1,931,522</u>
Engineering				
Salaries	983,600	983,600	916,765	930,094
Fringe benefits	384,000	384,000	365,859	363,647
Contractual services	211,600	213,023	205,639	165,732
Commodities	25,600	25,600	18,129	20,992
	<u>1,604,800</u>	<u>1,606,223</u>	<u>1,506,392</u>	<u>1,480,465</u>
Total community development	<u>5,097,700</u>	<u>5,140,633</u>	<u>4,858,768</u>	<u>4,734,196</u>
HEALTH AND WELFARE				
Senior Services				
Salaries	272,400	272,400	262,676	252,565
Fringe benefits	72,900	72,900	68,174	64,126
Contractual services	88,800	88,800	72,452	77,792
Commodities	18,000	18,000	16,639	13,360
Other charges	5,000	5,000	3,237	4,573
	<u>457,100</u>	<u>457,100</u>	<u>423,178</u>	<u>412,416</u>
Health Services				
Salaries	879,200	879,200	871,960	838,473
Fringe benefits	330,400	330,400	324,554	333,133
Contractual services	266,500	266,500	206,954	140,480
Commodities	64,100	64,100	47,012	47,003
Other charges	-	-	-	82,059
	<u>1,540,200</u>	<u>1,540,200</u>	<u>1,450,480</u>	<u>1,441,148</u>
Total health and welfare	<u>1,997,300</u>	<u>1,997,300</u>	<u>1,873,658</u>	<u>1,853,564</u>
TOTAL EXPENDITURES	<u>\$ 65,062,000</u>	<u>\$ 66,050,138</u>	<u>\$ 62,725,152</u>	<u>\$ 60,661,700</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

DEBT SERVICE FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 6,716,144	\$ 6,716,144	\$ 6,484,404	\$ 7,549,493
Investment income	24,000	24,000	17,356	22,041
Total revenues	6,740,144	6,740,144	6,501,760	7,571,534
EXPENDITURES				
Debt service				
Principal retirement	5,835,000	5,835,000	5,835,000	6,360,000
Interest and fiscal charges	1,739,500	1,739,500	1,739,404	2,199,945
Issuance costs	-	-	-	147,895
Total expenditures	7,574,500	7,574,500	7,574,404	8,707,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(834,356)	(834,356)	(1,072,644)	(1,136,306)
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	-	-	-	19,595,000
Premium on bonds issued	-	-	-	395,279
Payment to escrow agent	-	-	-	(19,810,106)
Transfers in	1,035,500	1,035,500	1,035,500	973,700
Total other financing sources (uses)	1,035,500	1,035,500	1,035,500	1,153,873
NET CHANGE IN FUND BALANCE	\$ 201,144	\$ 201,144	(37,144)	17,567
FUND BALANCE, MAY 1			1,761,874	1,744,307
FUND BALANCE, APRIL 30			\$ 1,724,730	\$ 1,761,874

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CAPITAL PROJECTS FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 4,335,000	\$ 4,335,000	\$ 4,251,484	\$ 4,212,835
Grants	71,800	497,698	690,039	239,919
Investment income	40,000	40,000	26,010	31,448
Miscellaneous				
Other	33,000	58,000	26,741	49,709
Total revenues	4,479,800	4,930,698	4,994,274	4,533,911
EXPENDITURES				
Capital outlay				
Contractual services	414,900	396,772	103,222	25,668
Equipment	876,000	933,558	668,230	359,831
Construction	5,901,000	6,746,274	5,057,497	4,019,436
Total expenditures	7,191,900	8,076,604	5,828,949	4,404,935
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,712,100)	(3,145,906)	(834,675)	128,976
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000,000	1,032,891	-
NET CHANGE IN FUND BALANCE	\$ (2,712,100)	\$ (2,145,906)	198,216	128,976
FUND BALANCE, MAY 1			6,528,973	6,399,997
FUND BALANCE, APRIL 30			\$ 6,727,189	\$ 6,528,973

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

Community Development Block Grant (CDBG) Fund - to account for the revenue and expenditures associated with CDBG. The grant is provided by the U.S. Department of Housing and Urban Development to develop urban communities by expanding economic opportunities and providing housing and a suitable living environment. The beneficiaries of the CDBG Program must be individuals with low and/or moderate incomes.

Fire Academy Fund - to account for direct revenues and expenditures associated with the Village's Fire Training Academy.

Foreign Fire Insurance Fund - to account for revenue derived from a 2% tax of the gross receipts from out-of-state businesses engaged in providing fire insurance within the Village.

Criminal Investigations Fund - to account for revenues awarded by criminal courts and expenditures for police investigations.

Municipal Parking Operations Fund - to account for revenues and expenditures associated with the Village's parking system.

TIF I South Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's Tax Increment Financing District Number I in the South Central Business District.

TIF II North Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's Tax Increment Financing District Number II in the North Central Business District.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

TIF III Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's Tax Increment Financing District Number III on the southeast corner of Palatine Road and Arlington Heights Road.

TIF IV Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's Tax Increment Financing District Number IV on the northeast corner of Arlington Heights Road and Golf Road.

TIF V Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's Tax Increment Financing District Number V on the southeast corner of Arlington Heights Road and Palatine Road.

CAPITAL PROJECTS FUNDS

Flood Control Phase V Fund - to account for the costs of constructing the second portion of the Weller Creek Flood Control Project. Financing was provided by the \$14,200,000 Series 1993 Corporate Purpose bonds.

Public Building Fund - to account for the costs of planning, development and construction of a new village hall. Financing is provided by the \$20,000,000 General Obligation Bonds, Series 2006.

Emerald Ash Borer - to account for the costs of treating, removal and replacement of all diseased parkway Ash trees in the Village affected by this insect invasion. The Village owns approximately 13,000 Ash trees.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2013

	Special Revenue Funds			
	Motor Fuel Tax	Community Development Block Grant	Fire Academy	Foreign Fire Insurance
ASSETS				
Cash and investments	\$ 1,225,027	\$ 1,400	\$ -	\$ 292,662
Receivables				
Property taxes	-	-	-	-
Other taxes	129,154	-	-	-
Accrued interest	-	-	-	869
CDBG rehabilitation loans	-	2,305,412	-	-
Grants	-	56,767	-	-
Other	-	-	-	-
Prepaid items	-	-	-	4,250
TOTAL ASSETS	<u>\$ 1,354,181</u>	<u>\$ 2,363,579</u>	<u>\$ -</u>	<u>\$ 297,781</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 45,376	\$ 23,414	\$ -	\$ 2,671
Accrued payroll	-	-	-	-
Due to other funds	-	29,042	-	-
Due to other governments	-	-	-	-
Unearned revenue	-	2,311,123	-	-
Total liabilities	<u>45,376</u>	<u>2,363,579</u>	<u>-</u>	<u>2,671</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>45,376</u>	<u>2,363,579</u>	<u>-</u>	<u>2,671</u>
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	-	4,250
Restricted				
Public safety	-	-	-	290,860
Highways and streets	1,308,805	-	-	-
Community development	-	-	-	-
Unrestricted				
Assigned				
Public parking	-	-	-	-
Public building	-	-	-	-
Emerald ash borer	-	-	-	-
Total fund balances	<u>1,308,805</u>	<u>-</u>	<u>-</u>	<u>295,110</u>
TOTAL LIABILITIES, DEFERRFED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,354,181</u>	<u>\$ 2,363,579</u>	<u>\$ -</u>	<u>\$ 297,781</u>

Special Revenue Funds							
Criminal Investigations	Municipal Parking Operations	TIF I South	TIF II North	TIF III	TIF IV	TIF V	
\$ 1,664,099	\$ 4,462,661	\$ 512,545	\$ 15,681	\$ 1,202,155	\$ 1,377,556	\$ 2,047,367	
-	-	-	-	122,429	248,834	143,147	
-	-	-	-	-	-	-	
-	6,117	8,701	-	1,290	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	19,500	-	-	-	-	-	
-	-	-	-	-	-	-	
<u>\$ 1,664,099</u>	<u>\$ 4,488,278</u>	<u>\$ 521,246</u>	<u>\$ 15,681</u>	<u>\$ 1,325,874</u>	<u>\$ 1,626,390</u>	<u>\$ 2,190,514</u>	
\$ 11,158	\$ 50,778	\$ 12,745	\$ -	\$ -	\$ 4,464	\$ -	
-	9,875	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	276,741	15,681	-	-	-	
1,342,205	27,260	-	-	-	-	-	
1,353,363	87,913	289,486	15,681	-	4,464	-	
-	-	-	-	272,100	533,001	318,300	
-	-	-	-	272,100	533,001	318,300	
1,353,363	87,913	289,486	15,681	272,100	537,465	318,300	
-	-	-	-	-	-	-	
310,736	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	231,760	-	1,053,774	1,088,925	1,872,214	
-	4,400,365	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
310,736	4,400,365	231,760	-	1,053,774	1,088,925	1,872,214	
<u>\$ 1,664,099</u>	<u>\$ 4,488,278</u>	<u>\$ 521,246</u>	<u>\$ 15,681</u>	<u>\$ 1,325,874</u>	<u>\$ 1,626,390</u>	<u>\$ 2,190,514</u>	

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET (Continued)

April 30, 2013

	Capital Projects			
	Flood Control Phase V	Public Building	Emerald Ash Borer	Total
ASSETS				
Cash and investments	\$ 2,984,685	\$ 1,768,357	\$ 4,140,848	\$ 21,695,043
Receivables				
Property taxes	-	-	-	514,410
Other taxes	-	-	-	129,154
Accrued interest	-	2,861	-	19,838
CDBG rehabilitation loans	-	-	-	2,305,412
Grants	-	-	-	56,767
Other	-	-	15,000	34,500
Prepaid items	-	11,155	234,574	249,979
TOTAL ASSETS	\$ 2,984,685	\$ 1,782,373	\$ 4,390,422	\$ 25,005,103
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 17,695	\$ 62,204	\$ 103,366	\$ 333,871
Accrued payroll	-	-	5,110	14,985
Due to other funds	-	-	-	29,042
Due to other governments	-	-	-	292,422
Unearned revenue	50,000	-	-	3,730,588
Total liabilities	67,695	62,204	108,476	4,400,908
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	1,123,401
Total deferred inflows of resources	-	-	-	1,123,401
Total liabilities and deferred inflows of resources	67,695	62,204	108,476	5,524,309
FUND BALANCES				
Nonspendable				
Prepaid items	-	11,155	234,574	249,979
Restricted				
Public safety	-	-	-	601,596
Highways and streets	-	-	-	1,308,805
Community development	2,916,990	-	-	7,163,663
Unrestricted				
Assigned				
Public parking	-	-	-	4,400,365
Public building	-	1,709,014	-	1,709,014
Emerald ash borer	-	-	4,047,372	4,047,372
Total fund balances	2,916,990	1,720,169	4,281,946	19,480,794
TOTAL LIABILITIES, DEFERRFED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,984,685	\$ 1,782,373	\$ 4,390,422	\$ 25,005,103

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended April 30, 2013

	Special Revenue			
	Motor Fuel Tax	Community Development Block Grant	Fire Academy	Foreign Fire Insurance
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,788,348	-	-	129,456
Grants	334,139	199,884	-	-
Fines and fees	-	-	26,080	-
Investment income	700	-	476	1,467
Miscellaneous	-	79,040	1,602	2,000
Total revenues	2,123,187	278,924	28,158	132,923
EXPENDITURES				
Current				
Public safety	-	-	162,123	172,862
Highways and streets	18,948	-	-	-
Community development	-	128,924	-	-
Health and welfare	-	-	-	-
Capital outlay	2,032,758	-	-	-
Total expenditures	2,051,706	128,924	162,123	172,862
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	71,481	150,000	(133,965)	(39,939)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	-	(150,000)	(32,891)	-
Total other financing sources (uses)	-	(150,000)	(32,891)	-
NET CHANGE IN FUND BALANCES	71,481	-	(166,856)	(39,939)
FUND BALANCE, MAY 1	1,237,324	-	166,856	335,049
FUND BALANCE (DEFICIT), APRIL 30	\$ 1,308,805	\$ -	\$ -	\$ 295,110

Special Revenue						
Criminal Investigations	Municipal Parking Operations	TIF I South	TIF II North	TIF III	TIF IV	TIF V
\$ -	\$ -	\$ -	\$ -	\$ 272,106	\$ 516,987	\$ 315,212
742,085	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,091,199	-	-	-	-	-
8,399	17,687	2,263	-	4,583	4,760	9,059
-	-	-	-	-	-	-
750,484	1,108,886	2,263	-	276,689	521,747	324,271
597,791	-	-	-	-	-	-
-	1,126,524	91	7,356	-	-	-
-	-	-	-	20,734	69,924	50,750
-	-	-	-	-	-	-
-	44,000	27,841	-	-	-	6,859
597,791	1,170,524	27,932	7,356	20,734	69,924	57,609
152,693	(61,638)	(25,669)	(7,356)	255,955	451,823	266,662
-	-	-	7,356	-	-	-
-	-	(7,356)	-	(261,750)	-	(351,850)
-	-	(7,356)	7,356	(261,750)	-	(351,850)
152,693	(61,638)	(33,025)	-	(5,795)	451,823	(85,188)
158,043	4,462,003	264,785	-	1,059,569	637,102	1,957,402
\$ 310,736	\$ 4,400,365	\$ 231,760	\$ -	\$ 1,053,774	\$ 1,088,925	\$ 1,872,214

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)

For the Year Ended April 30, 2013

	Capital Projects			
	Flood Control Phase V	Public Building	Emerald Ash Borer	Total
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 1,104,305
Intergovernmental	-	-	-	2,659,889
Grants	-	-	-	534,023
Fines and fees	-	-	-	1,117,279
Investment income	9,169	6,978	-	65,541
Miscellaneous	-	-	15,000	97,642
Total revenues	9,169	6,978	15,000	5,578,679
EXPENDITURES				
Current				
Public safety	-	-	-	932,776
Highways and streets	-	-	-	1,152,919
Community development	-	-	-	270,332
Health and welfare	-	-	280,107	280,107
Capital outlay	248,757	24,286	145,412	2,529,913
Total expenditures	248,757	24,286	425,519	5,166,047
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(239,588)	(17,308)	(410,519)	412,632
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	-	2,700,000	3,707,356
Transfers (out)	-	-	-	(803,847)
Total other financing sources (uses)	1,000,000	-	2,700,000	2,903,509
NET CHANGE IN FUND BALANCES	760,412	(17,308)	2,289,481	3,316,141
FUND BALANCE, MAY 1	2,156,578	1,737,477	1,992,465	16,164,653
FUND BALANCE (DEFICIT), APRIL 30	\$ 2,916,990	\$ 1,720,169	\$ 4,281,946	\$ 19,480,794

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MOTOR FUEL TAX FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental				
Motor fuel tax revenues	\$ 1,784,000	\$ 1,784,000	\$ 1,788,348	\$ 1,861,270
State grant	334,100	334,100	334,139	334,139
Investment income	100	100	700	318
Total revenues	2,118,200	2,118,200	2,123,187	2,195,727
EXPENDITURES				
Current				
Highways and streets				
Contractual services	45,000	45,000	18,948	32,414
Capital outlay	2,313,800	2,746,269	2,032,758	1,994,090
Total expenditures	2,358,800	2,791,269	2,051,706	2,026,504
NET CHANGE IN FUND BALANCE	<u>\$ (240,600)</u>	<u>\$ (673,069)</u>	71,481	169,223
FUND BALANCE, MAY 1			1,237,324	1,068,101
FUND BALANCE, APRIL 30			<u>\$ 1,308,805</u>	<u>\$ 1,237,324</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental				
Federal grants	\$ 242,730	\$ 245,630	\$ 199,884	\$ 338,235
Miscellaneous				
Program income	50,000	50,000	79,040	24,009
Total revenues	292,730	295,630	278,924	362,244
EXPENDITURES				
Current				
Community development				
Planning and community development				
Salaries	56,045	56,045	56,045	53,227
CDBG program				
Other charges	86,685	89,585	72,879	159,017
Total expenditures	142,730	145,630	128,924	212,244
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	150,000	150,000	150,000	150,000
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(150,000)	(150,000)	(150,000)	(150,000)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIRE ACADEMY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Fines and fees				
Fire academy tuition	\$ 14,000	\$ 14,000	\$ 26,080	\$ 19,375
Investment income	1,000	1,000	476	940
Miscellaneous	-	-	1,602	422
Total revenues	15,000	15,000	28,158	20,737
EXPENDITURES				
Current				
Public safety				
Fire academy				
Salaries	14,000	14,000	10,843	10,937
Contractual services	129,750	138,595	139,872	79,331
Commodities	5,000	5,000	4,948	6,763
Capital outlay	9,100	9,100	6,460	-
Total expenditures	157,850	166,695	162,123	97,031
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(142,850)	(151,695)	(133,965)	(76,294)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(32,891)	-
NET CHANGE IN FUND BALANCE	<u>\$ (142,850)</u>	<u>\$ (151,695)</u>	(166,856)	(76,294)
FUND BALANCE, MAY 1			166,856	243,150
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ 166,856</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FOREIGN FIRE INSURANCE FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental				
Foreign fire insurance tax	\$ 123,600	\$ 123,600	\$ 129,456	\$ 123,597
Investment income	2,000	2,000	1,467	1,601
Miscellaneous income	-	-	2,000	-
Total revenues	125,600	125,600	132,923	125,198
EXPENDITURES				
Current				
Public safety	195,000	234,814	172,862	119,093
NET CHANGE IN FUND BALANCE	<u>\$ (69,400)</u>	<u>\$ (109,214)</u>	(39,939)	6,105
FUND BALANCE, MAY 1			335,049	328,944
FUND BALANCE, APRIL 30			<u>\$ 295,110</u>	<u>\$ 335,049</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CRIMINAL INVESTIGATIONS FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental	\$ 769,000	\$ 769,000	\$ 742,085	\$ 177,512
Investment income	-	-	8,399	9,113
Miscellaneous income	-	-	-	1,621
Total revenues	769,000	769,000	750,484	188,246
EXPENDITURES				
Current				
Public safety	744,000	754,125	597,791	112,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	25,000	14,875	152,693	76,192
NET CHANGE IN FUND BALANCE	<u>\$ 25,000</u>	<u>\$ 14,875</u>	152,693	76,192
FUND BALANCE, MAY 1			158,043	81,851
FUND BALANCE, APRIL 30			<u>\$ 310,736</u>	<u>\$ 158,043</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MUNICIPAL PARKING OPERATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Fines and fees	\$ 1,040,000	\$ 1,040,000	\$ 1,091,199	\$ 1,034,422
Investment income	23,000	23,000	17,687	22,502
Total revenues	1,063,000	1,063,000	1,108,886	1,056,924
EXPENDITURES				
Current				
Highways and streets				
Salaries	471,600	471,600	443,723	445,408
Contractual services	289,800	295,930	287,281	270,487
Commodities	71,200	72,121	49,820	61,448
Other charges	345,700	345,700	345,700	329,200
Capital outlay	60,000	60,000	44,000	88,610
Total expenditures	1,238,300	1,245,351	1,170,524	1,195,153
NET CHANGE IN FUND BALANCE	\$ (175,300)	\$ (182,351)	(61,638)	(138,229)
FUND BALANCE, MAY 1			4,462,003	4,600,232
FUND BALANCE, APRIL 30			\$ 4,400,365	\$ 4,462,003

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF I SOUTH FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment income	\$ -	\$ -	\$ 2,263	\$ 3,275
Total revenues	-	-	2,263	3,275
EXPENDITURES				
Current				
Other charges	-	-	91	276,650
Capital outlay	589,642	589,642	27,841	69,157
Total expenditures	589,642	589,642	27,932	345,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(589,642)	(589,642)	(25,669)	(342,532)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(7,356)	(7,356)	(8,325)
Total other financing sources (uses)	-	(7,356)	(7,356)	(8,325)
NET CHANGE IN FUND BALANCE	<u>\$ (589,642)</u>	<u>\$ (596,998)</u>	(33,025)	(350,857)
FUND BALANCE, MAY 1			264,785	615,642
FUND BALANCE, APRIL 30			<u>\$ 231,760</u>	<u>\$ 264,785</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF II NORTH FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
Highways and streets				
Other charges	-	7,356	7,356	8,325
Total expenditures	-	7,356	7,356	8,325
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(7,356)	(7,356)	(8,325)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	7,356	7,356	8,325
Total other financing sources (uses)	-	7,356	7,356	8,325
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF III FUND

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

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 264,900	\$ 264,900	\$ 272,106	\$ 264,865
Miscellaneous income	-	-	-	450
Investment income	7,000	7,000	4,583	5,690
Total revenues	271,900	271,900	276,689	271,005
EXPENDITURES				
Current				
Community development				
Administration	15,000	16,252	5,734	-
Contractual services	30,000	30,000	-	-
Other expenditures	15,000	15,000	15,000	15,000
Total expenditures	60,000	61,252	20,734	15,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	211,900	210,648	255,955	256,005
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(261,750)	(261,750)	(261,750)	(259,200)
NET CHANGE IN FUND BALANCE	<u>\$ (49,850)</u>	<u>\$ (51,102)</u>	(5,795)	(3,195)
FUND BALANCE, MAY 1			1,059,569	1,062,764
FUND BALANCE, APRIL 30			<u>\$ 1,053,774</u>	<u>\$ 1,059,569</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF IV FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Property taxes	\$ 651,000	\$ 651,000	\$ 516,987	\$ 637,855
Investment income	1,000	1,000	4,760	2,038
Miscellaneous	-	-	-	52,587
Total revenues	652,000	652,000	521,747	692,480
EXPENDITURES				
Current				
Community development				
Contractual services	50,000	56,050	18,014	9,666
Other expenditures	60,000	60,000	51,910	50,000
Capital outlay	500,000	500,000	-	-
Total expenditures	610,000	616,050	69,924	59,666
NET CHANGE IN FUND BALANCE	\$ 42,000	\$ 35,950	451,823	632,814
FUND BALANCE, MAY 1			637,102	4,288
FUND BALANCE, APRIL 30			\$ 1,088,925	\$ 637,102

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF V FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 578,700	\$ 578,700	\$ 315,212	\$ 496,833
Investment income	12,000	12,000	9,059	10,212
Total revenues	590,700	590,700	324,271	507,045
EXPENDITURES				
Current				
Community development				
Contractual services	30,000	30,000	750	2,700
Other expenditures	50,000	50,000	50,000	50,000
Capital outlay	540,000	541,252	6,859	4,541
Total expenditures	620,000	621,252	57,609	57,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(29,300)	(30,552)	266,662	449,804
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(351,850)	(351,850)	(351,850)	(294,600)
NET CHANGE IN FUND BALANCE	<u>\$ (381,150)</u>	<u>\$ (382,402)</u>	(85,188)	155,204
FUND BALANCE, MAY 1			1,957,402	1,802,198
FUND BALANCE, APRIL 30			<u>\$ 1,872,214</u>	<u>\$ 1,957,402</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLOOD CONTROL PHASE V FUND

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

For the Year Ended April 30, 2013
(With Actual for April 30, 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 9,169	\$ 11,920
EXPENDITURES				
Capital outlay				
Construction in progress	880,000	880,000	248,757	356,599
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(870,000)	(870,000)	(239,588)	(344,679)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,000,000	1,000,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (870,000)</u>	<u>\$ 130,000</u>	760,412	(344,679)
FUND BALANCE, MAY 1			2,156,578	2,501,257
FUND BALANCE, APRIL 30			<u>\$ 2,916,990</u>	<u>\$ 2,156,578</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PUBLIC BUILDING FUND

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

For the Year Ended April 30, 2013
(With Actual for April 30, 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment income	\$ 4,000	\$ 4,000	\$ 6,978	\$ 9,105
Miscellaneous	-	-	-	157,090
Total revenues	4,000	4,000	6,978	166,195
EXPENDITURES				
Capital outlay				
Contractual services	-	18,966	-	-
Capital outlay	705,000	724,090	24,286	135,611
Total expenditures	705,000	743,056	24,286	135,611
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(701,000)	(739,056)	(17,308)	30,584
NET CHANGE IN FUND BALANCE	<u>\$ (701,000)</u>	<u>\$ (739,056)</u>	(17,308)	30,584
FUND BALANCE, MAY 1			1,737,477	1,706,893
FUND BALANCE, APRIL 30			<u>\$ 1,720,169</u>	<u>\$ 1,737,477</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

EMERALD ASH BORER FUND

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

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Miscellaneous	\$ -	\$ -	\$ 15,000
EXPENDITURES			
Current			
Health and welfare			
Salaries	78,700	151,200	130,739
Contractual services	240,000	-	-
Other charges	1,600	1,600	1,600
Commodities and supplies	55,000	146,500	147,768
Capital outlay	-	670,400	145,412
Total expenditures	375,300	969,700	425,519
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(375,300)	(969,700)	(410,519)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,700,000	2,700,000	2,700,000
NET CHANGE IN FUND BALANCE	\$ 1,324,700	\$ 1,730,300	2,289,481
FUND BALANCE, MAY 1			1,992,465
FUND BALANCE, APRIL 30			\$ 4,281,946

(See independent auditor's report.)

MAJOR ENTERPRISE FUND

Water and Sewer Fund - to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

STATEMENT OF NET POSITION

April 30, 2013
(With Actual for April 30, 2012)

	2013	2012
CURRENT ASSETS		
Cash and investments	\$ 3,856,174	\$ 4,278,860
Receivables		
Customer accounts	1,697,018	1,714,741
Accrued interest	16,043	17,684
Inventory	548,155	452,079
Total current assets	6,117,390	6,463,364
NONCURRENT ASSETS		
Capital assets		
Nondepreciable capital assets	2,648,950	2,648,950
Depreciable capital assets	98,530,229	98,402,494
Accumulated depreciation	(72,017,056)	(70,626,136)
Net capital assets	29,162,123	30,425,308
Other assets		
Investment in joint venture	14,923,360	14,834,382
Total noncurrent assets	44,085,483	45,259,690
Total assets	50,202,873	51,723,054
CURRENT LIABILITIES		
Accounts payable	351,377	704,772
Accrued payroll	125,627	105,433
Compensated absences payable	63,289	61,478
Total current liabilities	540,293	871,683
LONG-TERM LIABILITIES		
Compensated absences payable	358,640	348,378
Net other postemployment benefits obligation	162,282	156,681
Total long-term liabilities	520,922	505,059
Total liabilities	1,061,215	1,376,742
NET POSITION		
Net investment in capital assets	29,162,123	30,425,308
Unrestricted	19,979,535	19,921,004
TOTAL NET POSITION	\$ 49,141,658	\$ 50,346,312

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
OPERATING REVENUES				
Charges for services	\$ 14,869,600	\$ 14,869,600	\$ 14,344,566	\$ 12,960,678
Miscellaneous	97,000	97,000	160,341	152,794
Total operating revenues	14,966,600	14,966,600	14,504,907	13,113,472
OPERATING EXPENSES				
Personal services	5,702,200	5,702,200	5,596,128	5,271,948
Contractual services	2,313,700	2,381,284	1,910,604	1,943,574
Northwest Water Commission	3,548,800	3,548,800	3,463,906	3,545,296
Commodities	929,200	949,279	791,598	715,643
Charges for services	1,596,000	1,522,342	1,397,204	1,330,536
Gain (loss) from joint venture				
Northwest Water Commission	-	-	(88,978)	(477,971)
Other	1,434,500	1,746,155	1,260,633	1,154,822
Total operating expenses	15,524,400	15,850,060	14,331,095	13,483,848
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(557,800)	(883,460)	173,812	(370,376)
Depreciation	-	-	1,390,921	1,431,066
OPERATING INCOME (LOSS)	(557,800)	(883,460)	(1,217,109)	(1,801,442)
NONOPERATING REVENUES (EXPENSES)				
Investment income	30,000	30,000	12,455	17,137
INCOME (LOSS) BEFORE TRANSFERS	(527,800)	(853,460)	(1,204,654)	(1,784,305)
TRANSFERS				
Transfers (out)	(80,000)	(80,000)	-	-
CHANGE IN NET POSITION	<u>\$ (607,800)</u>	<u>\$ (933,460)</u>	(1,204,654)	(1,784,305)
NET POSITION, MAY 1			50,346,312	52,130,617
NET POSITION, APRIL 30			<u>\$ 49,141,658</u>	<u>\$ 50,346,312</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
PERSONAL SERVICES				
Finance				
Salaries	\$ 542,100	\$ 542,100	\$ 514,789	\$ 504,630
Overtime	500	500	-	-
Workers' compensation	1,100	1,100	1,100	1,100
Medical insurance	87,000	87,000	87,000	95,100
IMRF	73,500	73,500	68,713	62,211
FICA	33,600	33,600	31,038	30,398
Medicare	7,900	7,900	7,259	7,109
Water utility operations				
Salaries	3,123,000	3,123,000	2,968,691	2,934,361
Overtime	308,500	308,500	393,280	221,249
Workers' compensation	216,000	216,000	216,000	209,700
Medical insurance	583,800	583,800	583,800	565,400
IMRF	463,800	463,800	459,177	391,058
FICA	211,800	211,800	204,851	192,314
Medicare	49,600	49,600	48,357	45,087
Compensated absences	-	-	12,073	12,231
Total personal services	5,702,200	5,702,200	5,596,128	5,271,948
CONTRACTUAL SERVICES				
Finance				
Professional service	14,800	14,800	12,450	12,035
Other services	69,200	69,200	85,262	85,677
Travel and training	1,000	1,000	-	2
Postage	65,000	65,000	58,776	55,984
Printing	12,000	12,000	10,939	7,191
IT service charge	91,200	91,200	91,200	90,900
Water utility operations				
Professional services	30,000	34,254	38,165	45,381
General insurance	49,900	49,900	49,900	48,400
Equipment maintenance	49,000	53,140	36,242	24,584
Radio maintenance	2,500	2,500	-	-
Building maintenance	7,500	7,500	6,624	850
Pumping station maintenance	25,000	25,000	14,820	1,431
Sewer collection system	20,000	20,000	5,500	3,690
Water distribution system	315,000	374,190	33,763	237,826

(This schedule is continued on the following pages.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
CONTRACTUAL SERVICES (Continued)				
Water utility operations (Continued)				
Meter installation	\$ 204,000	\$ 244,000	\$ 213,755	\$ 217,931
Equipment rental	240,000	200,000	189,998	103,959
Utility services	330,000	330,000	335,267	369,162
Disposal services	92,600	92,600	40,273	28,687
Other services	59,000	59,000	42,923	40,927
Dues	3,000	3,000	4,333	4,749
Travel and training	15,100	15,100	11,969	15,632
Postage	4,000	4,000	2,299	3,661
Printing	1,800	1,800	1,120	684
Annual consumer report	14,000	14,000	13,090	13,907
Service charge	142,800	142,800	142,800	141,000
Claims and refunds	10,000	10,000	-	-
Vehicle/equipment lease charge	405,300	405,300	405,300	336,200
Telephone services	40,000	40,000	63,836	53,124
Total contractual services	2,313,700	2,381,284	1,910,604	1,943,574
NORTHWEST WATER COMMISSION	3,548,800	3,548,800	3,463,906	3,545,296
COMMODITIES				
Finance				
Office supplies and equipment	4,500	4,500	2,193	2,152
Overhead sewer rebate program	50,000	50,000	50,000	50,000
Water utility operations				
Publications and periodicals	1,000	1,000	191	580
Office supplies and equipment	3,800	3,800	3,786	3,799
Photographic supplies	-	-	-	216
Data system supplies	3,000	3,000	2,397	-
Clothing	26,000	26,000	21,346	16,046
Petroleum products	90,200	90,200	91,508	83,877
Water distribution supplies	194,000	194,000	132,985	153,522
Meter/backflow devices	148,000	153,313	128,396	154,016
Pumping and storage supplies	30,000	38,068	34,650	20,747
Sewer collection supplies	48,000	48,000	9,603	31,907
Agricultural supplies	13,000	13,000	13,954	17,276
Building supplies	15,000	15,000	9,060	11,351
Chemicals	20,500	20,500	7,108	8,743

(This schedule is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
COMMODITIES (Continued)				
Water utility operations (Continued)				
Other equipment and supplies	\$ 72,700	\$ 72,700	\$ 62,658	\$ 34,842
Small tools and equipment	17,500	17,500	17,988	10,649
Street and sidewalk supplies	177,000	183,698	190,743	100,799
Other supplies	15,000	15,000	13,032	15,121
Total commodities	929,200	949,279	791,598	715,643
CHARGES FOR SERVICES				
Water utility operations				
Administrative service charge	1,396,000	1,396,000	1,396,000	1,329,500
Operating contingency	200,000	126,342	-	-
Other	-	-	1,204	1,036
Total charges for services	1,596,000	1,522,342	1,397,204	1,330,536
GAIN (LOSS) FROM JOINT VENTURE				
Northwest Water Commission	-	-	(88,978)	(477,971)
OTHER				
Capital outlay				
Water utility operations				
Office equipment	15,000	15,000	4,396	13,335
Other equipment	224,500	278,202	142,238	68,707
Building improvements	20,000	23,795	11,108	66,542
Construction in progress	1,175,000	1,429,158	1,230,626	1,006,238
Total other	1,434,500	1,746,155	1,388,368	1,154,822
TOTAL OPERATIONS	<u>\$ 15,524,400</u>	<u>\$ 15,850,060</u>	14,458,830	13,483,848
ADJUSTMENTS TO GAAP BASIS				
Assets capitalized			(127,735)	-
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION - GAAP BASIS			<u>\$ 14,331,095</u>	<u>\$ 13,483,848</u>

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUNDS

Solid Waste Disposal Fund - to account for the provision of solid waste disposal services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Arts, Entertainment & Events Fund - to account for costs associated with village presentations or participation in art, theatrical and new community events.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR PROPRIETARY FUNDS

COMBINING STATEMENT OF NET POSITION

April 30, 2013

	Solid Waste Disposal	Arts, Entertainment & Events	Total
CURRENT ASSETS			
Cash and investments	\$ 2,295,969	\$ 731,973	\$ 3,027,942
Receivables			
Customer accounts	44,532	-	44,532
Accrued interest	39	996	1,035
Prepaid expenses	116,258	-	116,258
Total current assets	2,456,798	732,969	3,189,767
CAPITAL ASSETS			
Nondepreciable capital assets	-	475,200	475,200
Depreciable capital assets	-	2,554,246	2,554,246
Accumulated depreciation	-	(705,245)	(705,245)
Net capital assets	-	2,324,201	2,324,201
Total assets	2,456,798	3,057,170	5,513,968
CURRENT LIABILITIES			
Accounts payable	-	5,070	5,070
Unearned revenue	-	4,500	4,500
Total liabilities	-	9,570	9,570
NET POSITION			
Invested in capital assets	-	2,324,201	2,324,201
Unrestricted	2,456,798	723,399	3,180,197
TOTAL NET POSITION	\$ 2,456,798	\$ 3,047,600	\$ 5,504,398

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Solid Waste Disposal	Arts, Entertainment & Events	Total
OPERATING REVENUES			
Charges for services	\$ 1,593,605	\$ 54,364	\$ 1,647,969
Miscellaneous			
Building management fee	-	18,000	18,000
Total operating revenues	1,593,605	72,364	1,665,969
OPERATING EXPENSES			
Operations	1,312,457	444,132	1,756,589
Depreciation	-	67,573	67,573
Total operating expenses	1,312,457	511,705	1,824,162
OPERATING INCOME (LOSS)	281,148	(439,341)	(158,193)
NONOPERATING REVENUES (EXPENSES)			
Investment income	8,413	2,494	10,907
Food and beverage tax	-	460,424	460,424
Total nonoperating revenues (expenses)	8,413	462,918	471,331
CONTRIBUTIONS OF CAPITAL ASSETS	-	20,247	20,247
CHANGE IN NET POSITION	289,561	43,824	333,385
NET POSITION, MAY 1	2,167,237	3,003,776	5,171,013
NET POSITION, APRIL 30	\$ 2,456,798	\$ 3,047,600	\$ 5,504,398

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR PROPRIETARY FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2013

	Solid Waste Disposal	Arts, Entertainment & Events	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,647,789	\$ 72,364	\$ 1,720,153
Payments to suppliers	(1,337,057)	(460,649)	(1,797,706)
Net cash from operating activities	310,732	(388,285)	(77,553)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contribution revenue	-	20,247	20,247
Food and beverage tax receipts	-	460,424	460,424
Net cash from noncapital financing activities	-	480,671	480,671
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	-	(39,247)	(39,247)
Net cash from capital and related financing activities	-	(39,247)	(39,247)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	9,415	2,769	12,184
Net cash from investing activities	9,415	2,769	12,184
NET INCREASE IN CASH AND CASH EQUIVALENTS	320,147	55,908	376,055
CASH AND CASH EQUIVALENTS, MAY 1	1,975,822	676,065	2,651,887
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 2,295,969	\$ 731,973	\$ 3,027,942

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR PROPRIETARY FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2013

	Solid Waste Disposal	Arts, Entertainment & Events	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 281,148	\$ (439,341)	\$ (158,193)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	-	67,573	67,573
Change in assets and liabilities			
Receivables	54,184	-	54,184
Prepaid expenses	(24,600)	-	(24,600)
Accounts payable	-	(21,017)	(21,017)
Unearned revenue	-	4,500	4,500
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 310,732</u>	<u>\$ (388,285)</u>	<u>\$ (77,553)</u>
NONCASH TRANSACTIONS			
Contributions of capital assets	<u>\$ -</u>	<u>\$ 20,247</u>	<u>\$ 20,247</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SOLID WASTE DISPOSAL FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,500,000	\$ 1,500,000	\$ 1,593,605	\$ 1,701,884
Miscellaneous	-	-	-	149,473
Total operating revenues	1,500,000	1,500,000	1,593,605	1,851,357
OPERATING EXPENSES				
Operations	1,417,400	1,417,400	1,312,457	1,529,106
OPERATING INCOME	82,600	82,600	281,148	322,251
NONOPERATING REVENUES (EXPENSES)				
Investment income	10,000	10,000	8,413	8,046
CHANGE IN NET POSITION	<u>\$ 92,600</u>	<u>\$ 92,600</u>	289,561	330,297
NET POSITION, MAY 1			<u>2,167,237</u>	<u>1,836,940</u>
NET POSITION, APRIL 30			<u>\$ 2,456,798</u>	<u>\$ 2,167,237</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ARTS, ENTERTAINMENT & EVENTS FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Special events	\$ 40,500	\$ 40,500	\$ 54,364	\$ 132,209
Building management fee	18,000	18,000	18,000	18,000
Total operating revenue	58,500	58,500	72,364	150,209
OPERATING EXPENSES				
Operations	507,400	536,948	444,132	756,285
Depreciation	-	-	67,573	63,648
Total operating expenses	507,400	536,948	511,705	819,933
OPERATING INCOME (LOSS)	(448,900)	(478,448)	(439,341)	(669,724)
NONOPERATING REVENUES (EXPENSES)				
Investment income	5,000	5,000	2,494	2,558
Food and beverage tax	423,000	423,000	460,424	433,045
Total nonoperating revenues (expenses)	428,000	428,000	462,918	435,603
INCOME (LOSS) BEFORE TRANSFERS	(20,900)	(50,448)	23,577	(234,121)
TRANSFERS				
Transfers in	-	-	-	300,000
Total transfers	-	-	-	300,000
CONTRIBUTIONS OF CAPITAL ASSETS	-	-	20,247	-
CHANGE IN NET POSITION	<u>\$ (20,900)</u>	<u>\$ (50,448)</u>	43,824	65,879
NET POSITION, MAY 1			<u>3,003,776</u>	<u>2,937,897</u>
NET POSITION, APRIL 30			<u>\$ 3,047,600</u>	<u>\$ 3,003,776</u>

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Health and Life Insurance Fund - to account for all costs associated with self-insurance risks for health and life insurance.

Retiree Health Insurance Fund - to account for all costs associated with self-insurance risks for health insurance for retirees.

General Liability Insurance Fund - to account for all costs associated with self-insurance risks for general liability and property loss.

Workers' Compensation Fund - to account for all costs associated with self-insurance risks for workers' compensation claims.

Fleet Operations Fund - to account for all costs associated with maintaining and servicing the vehicles and equipment operated by the various departments within the Village.

Technology Fund - to account for all costs associated with providing technology services to all departments for the operations of the Village.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

April 30, 2013

	Health and Life Insurance	Retiree Health Insurance	General Liability Insurance
CURRENT ASSETS			
Cash and investments	\$ 3,357,047	\$ 297,843	\$ 4,372,612
Receivables			
Accrued interest	11,223	-	8,563
Inventory	-	-	-
Total current assets	3,368,270	297,843	4,381,175
CAPITAL ASSETS			
Depreciable capital assets	-	-	-
Accumulated depreciation	-	-	-
Net capital assets	-	-	-
Total assets	3,368,270	297,843	4,381,175
CURRENT LIABILITIES			
Accounts payable	271,231	-	30
Accrued payroll	2,860	-	-
Claims payable	653,400	297,843	233,709
Compensated absences payable	894	-	-
Total current liabilities	928,385	297,843	233,739
LONG-TERM LIABILITIES			
Compensated absences payable	5,064	-	-
Net other postemployment benefits obligation	12,946	-	-
Total long-term liabilities	18,010	-	-
Total liabilities	946,395	297,843	233,739
NET POSITION			
Net investment in capital assets	-	-	-
Unrestricted	2,421,875	-	4,147,436
TOTAL NET POSITION	\$ 2,421,875	\$ -	\$ 4,147,436

Workers' Compensation	Fleet Operations	Technology	Total
\$ 6,602,763	\$ 5,907,514	\$ 1,579,601	\$ 22,117,380
4,330	8,794	3,842	36,752
-	74,157	-	74,157
6,607,093	5,990,465	1,583,443	22,228,289
-	17,112,639	-	17,112,639
-	(10,953,770)	-	(10,953,770)
-	6,158,869	-	6,158,869
6,607,093	12,149,334	1,583,443	28,387,158
4,629	142,649	64,992	483,531
2,045	28,528	18,718	52,151
1,936,229	-	-	3,121,181
1,480	16,361	9,445	28,180
1,944,383	187,538	93,155	3,685,043
8,384	92,712	53,518	159,678
6,472	79,151	54,117	152,686
14,856	171,863	107,635	312,364
1,959,239	359,401	200,790	3,997,407
-	6,158,869	-	6,158,869
4,647,854	5,631,064	1,382,653	18,230,882
\$ 4,647,854	\$ 11,789,933	\$ 1,382,653	\$ 24,389,751

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Health and Life Insurance	Retiree Health Insurance	General Liability Insurance
OPERATING REVENUES			
Charges for services	\$ 8,313,207	\$ 1,494,942	\$ 654,800
Fines	-	-	-
Miscellaneous			
Other	1,908	130,473	5,915
Total operating revenues	8,315,115	1,625,415	660,715
OPERATING EXPENSES			
Personal services	122,897	-	-
Contractual services	3,376,788	543,075	332,379
Commodities	500	-	-
Insurance claims	4,158,122	2,198,554	205,250
Capital outlay	-	-	-
Total operating expenses	7,658,307	2,741,629	537,629
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	656,808	(1,116,214)	123,086
DEPRECIATION	-	-	-
OPERATING INCOME (LOSS)	656,808	(1,116,214)	123,086
NONOPERATING REVENUES (EXPENSES)			
Investment income	9,257	-	16,570
Loss on disposal of capital assets	-	-	-
Total nonoperating revenues (expenses)	9,257	-	16,570
INCOME (LOSS) BEFORE TRANSFERS	666,065	(1,116,214)	139,656
TRANSFERS			
Transfers in	-	1,116,214	-
Transfers (out)	(1,116,214)	-	-
Total transfers	(1,116,214)	1,116,214	-
CONTRIBUTIONS OF CAPITAL ASSETS	-	-	-
CHANGE IN NET POSITION	(450,149)	-	139,656
NET POSITION, MAY 1	2,872,024	-	4,007,780
NET POSITION, APRIL 30	\$ 2,421,875	\$ -	\$ 4,147,436

Workers' Compensation	Fleet Operations	Technology	Total
\$ 1,808,462	\$ 2,802,324	\$ 1,448,600	\$ 16,522,335
-	23,469	-	23,469
16,739	350,121	-	505,156
1,825,201	3,175,914	1,448,600	17,050,960
114,926	1,280,786	758,587	2,277,196
265,235	199,064	313,511	5,030,052
1,419	426,737	64,002	492,658
1,768,640	-	-	8,330,566
-	-	258,764	258,764
2,150,220	1,906,587	1,394,864	16,389,236
(325,019)	1,269,327	53,736	661,724
-	943,149	-	943,149
(325,019)	326,178	53,736	(281,425)
24,451	20,694	6,053	77,025
-	(71,476)	-	(71,476)
24,451	(50,782)	6,053	5,549
(300,568)	275,396	59,789	(275,876)
-	400,000	-	1,516,214
-	-	-	(1,116,214)
-	400,000	-	400,000
-	73,305	-	73,305
(300,568)	748,701	59,789	197,429
4,948,422	11,041,232	1,322,864	24,192,322
\$ 4,647,854	\$ 11,789,933	\$ 1,382,653	\$ 24,389,751

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2013

	Health and Life Insurance	Retiree Health Insurance	General Liability Insurance
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services	\$ 8,315,115	\$ 1,625,415	\$ 660,715
Payments to suppliers	(7,502,635)	(2,723,833)	(576,829)
Payments to employees	(121,905)	-	-
Net cash from operating activities	690,575	(1,098,418)	83,886
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	1,116,214	-
Transfers (out)	(1,116,214)	-	-
Net cash from noncapital financing activities	(1,116,214)	1,116,214	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	10,012	-	18,223
Net cash from investing activities	10,012	-	18,223
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(415,627)	17,796	102,109
CASH AND CASH EQUIVALENTS, MAY 1	3,772,674	280,047	4,270,503
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 3,357,047</u>	<u>\$ 297,843</u>	<u>\$ 4,372,612</u>

Workers' Compensation	Fleet Operations	Technology	Total
\$ 1,825,201	\$ 3,175,914	\$ 1,448,600	\$ 17,050,960
(1,372,682)	(158,794)	(597,433)	(12,932,206)
(111,345)	(1,271,124)	(736,990)	(2,241,364)
341,174	1,745,996	114,177	1,877,390
-	400,000	-	1,516,214
-	-	-	(1,116,214)
-	400,000	-	400,000
-	(1,315,617)	-	(1,315,617)
-	(1,315,617)	-	(1,315,617)
26,838	22,452	6,555	84,080
26,838	22,452	6,555	84,080
368,012	852,831	120,732	1,045,853
6,234,751	5,054,683	1,458,869	21,071,527
\$ 6,602,763	\$ 5,907,514	\$ 1,579,601	\$ 22,117,380

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2013

	Health and Life Insurance	Retiree Health Insurance	General Liability Insurance
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 656,808	\$ (1,116,214)	\$ 123,086
Depreciation	-	-	-
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Change in assets and liabilities			
Inventories	-	-	-
Prepaid expenses	-	-	-
Accounts payable	1,722	(442)	(15,091)
Accrued payroll	557	-	-
Compensated absences payable	(248)	-	-
Net other postemployment benefits obligation	683	-	-
Claims payable	31,053	18,238	(24,109)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 690,575</u>	<u>\$ (1,098,418)</u>	<u>\$ 83,886</u>
NONCASH TRANSACTIONS			
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Workers' Compensation	Fleet Operations	Technology	Total
\$ (325,019)	\$ 326,178	\$ 53,736	\$ (281,425)
-	943,149	-	943,149
-	14,299	-	14,299
-	385,458	-	385,458
(12,545)	67,250	38,844	79,738
439	5,354	3,947	10,297
2,801	(131)	14,577	16,999
341	4,439	3,073	8,536
675,157	-	-	700,339
\$ 341,174	\$ 1,745,996	\$ 114,177	\$ 1,877,390
\$ -	\$ 73,305	\$ -	\$ 73,305

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

HEALTH AND LIFE INSURANCE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 8,236,300	\$ 8,236,300	\$ 8,313,207	\$ 8,219,516
Miscellaneous	-	-	1,908	1,572
Total operating revenues	8,236,300	8,236,300	8,315,115	8,221,088
OPERATING EXPENSES				
Personal services	124,300	124,300	122,897	117,676
Contractual services	3,595,700	3,595,700	3,376,788	3,386,203
Commodities	500	500	500	492
Insurance claims	5,160,000	5,160,000	4,158,122	3,784,013
Total operating expenses	8,880,500	8,880,500	7,658,307	7,288,384
OPERATING INCOME (LOSS)	(644,200)	(644,200)	656,808	932,704
NONOPERATING REVENUES (EXPENSES)				
Investment income	15,000	15,000	9,257	12,307
INCOME (LOSS) BEFORE TRANSFERS	(629,200)	(629,200)	666,065	945,011
TRANSFERS				
Transfers in	440,000	440,000	-	-
Transfers (out)	(666,100)	(666,100)	(1,116,214)	(1,184,692)
Total transfers	(226,100)	(226,100)	(1,116,214)	(1,184,692)
CHANGE IN NET POSITION	<u>\$ (855,300)</u>	<u>\$ (855,300)</u>	(450,149)	(239,681)
NET POSITION, MAY 1			2,872,024	3,111,705
NET POSITION, APRIL 30			<u>\$ 2,421,875</u>	<u>\$ 2,872,024</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

RETIREE HEALTH INSURANCE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,650,000	\$ 1,650,000	\$ 1,494,942	\$ 1,399,988
Miscellaneous income	100,000	100,000	130,473	128,492
Total operating revenues	1,750,000	1,750,000	1,625,415	1,528,480
OPERATING EXPENSES				
Contractual services	531,500	531,500	543,075	561,181
Insurance claims	1,884,600	1,884,600	2,198,554	2,151,991
Total operating expenses	2,416,100	2,416,100	2,741,629	2,713,172
INCOME (LOSS) BEFORE TRANSFERS	(666,100)	(666,100)	(1,116,214)	(1,184,692)
TRANSFERS				
Transfers in	666,100	666,100	1,116,214	1,184,692
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	-	-
NET POSITION, MAY 1			-	-
NET POSITION, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL LIABILITY INSURANCE FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 654,800	\$ 654,800	\$ 654,800	\$ 634,000
Miscellaneous	-	-	5,915	28,800
Total operating revenues	654,800	654,800	660,715	662,800
OPERATING EXPENSES				
Contractual services	495,200	495,200	332,379	321,914
Insurance claims	425,000	425,000	205,250	340,635
Total operating expenses	920,200	920,200	537,629	662,549
OPERATING INCOME (LOSS)	(265,400)	(265,400)	123,086	251
NONOPERATING REVENUES (EXPENSES)				
Investment income	28,000	28,000	16,570	19,749
INCOME (LOSS) BEFORE TRANSFERS	(237,400)	(237,400)	139,656	20,000
TRANSFERS				
Transfers in	-	-	-	300,000
CHANGE IN NET POSITION	<u>\$ (237,400)</u>	<u>\$ (237,400)</u>	139,656	320,000
NET POSITION, MAY 1			4,007,780	3,687,780
NET POSITION, APRIL 30			<u>\$ 4,147,436</u>	<u>\$ 4,007,780</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WORKERS' COMPENSATION FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,775,400	\$ 1,775,400	\$ 1,808,462	\$ 1,928,092
Miscellaneous				
Other	-	-	16,739	7,092
Total operating revenues	1,775,400	1,775,400	1,825,201	1,935,184
OPERATING EXPENSES				
Personal services	171,900	171,900	114,926	136,935
Contractual services	320,000	320,000	265,235	263,071
Commodities	2,300	2,300	1,419	419
Insurance claims	1,170,000	1,170,000	1,768,640	776,346
Total operating expenses	1,664,200	1,664,200	2,150,220	1,176,771
OPERATING INCOME (LOSS)	111,200	111,200	(325,019)	758,413
NONOPERATING REVENUES (EXPENSES)				
Investment income	38,000	38,000	24,451	27,518
CHANGE IN NET POSITION	\$ 149,200	\$ 149,200	(300,568)	785,931
NET POSITION, MAY 1			4,948,422	4,162,491
NET POSITION, APRIL 30			\$ 4,647,854	\$ 4,948,422

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUALFor the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012 Actual
	Original Budget	Final Budget	Actual	
OPERATING REVENUES				
Charges for services	\$ 2,812,600	\$ 2,812,600	\$ 2,802,324	\$ 2,647,507
Fines	30,000	30,000	23,469	27,637
Miscellaneous	180,000	180,000	350,121	161,734
Total operating revenues	3,022,600	3,022,600	3,175,914	2,836,878
OPERATING EXPENSES				
Personal services	1,318,700	1,318,700	1,280,786	1,226,597
Contractual services	244,500	247,000	199,064	323,024
Commodities	447,900	447,900	426,737	455,588
Capital outlay	1,744,000	2,300,848	-	8,445
Total operating expenses	3,755,100	4,314,448	1,906,587	2,013,654
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(732,500)	(1,291,848)	1,269,327	823,224
DEPRECIATION	-	-	943,149	1,062,776
OPERATING INCOME (LOSS)	(732,500)	(1,291,848)	326,178	(239,552)
NONOPERATING REVENUES (EXPENSES)				
Investment income	30,000	30,000	20,694	27,928
Gain (loss) on disposal of capital assets	-	-	(71,476)	66,048
Total nonoperating revenues (expenses)	30,000	30,000	(50,782)	93,976
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(702,500)	(1,261,848)	275,396	(145,576)
TRANSFERS				
Transfers in	-	400,000	400,000	-
CONTRIBUTIONS OF CAPITAL ASSETS	-	-	73,305	-
CHANGE IN NET POSITION	\$ (702,500)	\$ (861,848)	748,701	(145,576)
NET POSITION, MAY 1			11,041,232	11,186,808
NET POSITION, APRIL 30			\$ 11,789,933	\$ 11,041,232

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2013

(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
PERSONAL SERVICES				
Salaries	\$ 874,800	\$ 874,800	\$ 867,926	\$ 837,115
Overtime	48,200	48,200	25,846	19,724
Workers' compensation	41,600	41,600	41,600	40,400
Medical insurance	162,800	162,800	162,800	159,800
IMRF	121,100	121,100	116,381	102,032
Social Security	56,900	56,900	53,891	51,502
Medicare	13,300	13,300	12,604	12,044
Compensated absences	-	-	(262)	3,980
Total personal services	1,318,700	1,318,700	1,280,786	1,226,597
CONTRACTUAL SERVICES				
Equipment maintenance	10,000	10,000	11,766	9,321
Radio maintenance	1,500	1,500	-	-
Vehicle equipment maintenance	165,000	165,000	132,851	242,551
Vehicle damage	25,000	25,000	12,974	13,162
Equipment rental	2,500	2,500	2,236	1,731
Lease expense	-	2,500	2,630	21,116
Disposal services	3,000	3,000	632	754
Other services	24,800	24,800	24,300	25,000
Dues	600	600	414	374
Travel and training	2,300	2,300	2,340	2,343
Postage	100	100	201	182
Printing	1,000	1,000	620	164
Photocopying	600	600	-	26
Vehicle and equipment lease charge	8,100	8,100	8,100	6,300
Total contractual services	244,500	247,000	199,064	323,024

(This schedule is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2013

(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
COMMODITIES				
Publications and periodicals	\$ 300	\$ 300	\$ -	\$ -
Office supplies and equipment	400	400	386	387
Clothing	6,500	6,500	4,679	4,316
Petroleum products	800	800	406	630
Nonvillage fuel resale	174,600	174,600	174,520	158,872
Vehicle maintenance supplies	215,000	215,000	218,944	263,137
Other equipment and supplies	10,000	10,000	10,885	10,624
Small tools and equipment	3,500	3,500	3,087	3,303
Other supplies	1,800	1,800	392	1,161
Wheeling bus maintenance	35,000	35,000	13,438	13,158
Total commodities	447,900	447,900	426,737	455,588
CAPITAL OUTLAY	1,744,000	2,300,848	1,263,997	1,452,818
TOTAL OPERATIONS	\$ 3,755,100	\$ 4,314,448	3,170,584	3,458,027
ADJUSTMENTS TO GAAP BASIS				
Assets capitalized			(1,263,997)	(1,444,373)
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION - GAAP BASIS			\$ 1,906,587	\$ 2,013,654

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,448,600	\$ 1,448,600	\$ 1,448,600	\$ 1,396,500
Total operating revenues	1,448,600	1,448,600	1,448,600	1,396,500
OPERATING EXPENSES				
Personal services	810,500	810,500	758,587	729,336
Contractual services	326,600	326,600	313,511	299,962
Commodities	85,700	85,700	64,002	64,798
Capital outlay	231,800	238,863	258,764	210,677
Total operating expenses	1,454,600	1,461,663	1,394,864	1,304,773
OPERATING INCOME (LOSS)	(6,000)	(13,063)	53,736	91,727
NONOPERATING REVENUES (EXPENSES)				
Investment income	6,000	6,000	6,053	6,788
CHANGE IN NET POSITION	\$ -	\$ (7,063)	59,789	98,515
NET POSITION, MAY 1			1,322,864	1,224,349
NET POSITION, APRIL 30			\$ 1,382,653	\$ 1,322,864

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police Pension Fund - to account for the resources necessary to provide retirement and disability benefits to personnel of the Arlington Heights Police Department. Revenues are provided by the following: Village contributions (made possible by a property tax levy), employee contributions and investment income.

Firefighters' Pension Fund - to account for the resources necessary to provide retirement and disability benefits to personnel of the Arlington Heights Fire Department. Revenues are provided by the following: Village contributions (made possible by a property tax levy), employee contributions and investment income.

AGENCY FUNDS

Guaranty Deposits Fund - to account for deposits by developers and contractors providing services within the Village to guarantee performance of construction contracts. These funds are later returned to the developer or contractor upon completion of the contract.

Escrow Deposits Fund - to account for deposits by developers and contractors providing services within the Village. These funds are used to reimburse the Village for the cost of goods and services provided.

Special Assessments Collection Fund - to account for the collection of special assessments from property owners. The collections are used to repay special assessment debt, for which the Village is not obligated.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

April 30, 2013

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,505,182	\$ 1,580,218	\$ 3,085,400
Investments			
U.S. Government and agency obligations	43,331,933	9,623,810	52,955,743
Equity securities	22,261,816	7,413,462	29,675,278
Illinois Funds	3,731,432	2,902,807	6,634,239
Mutual funds	21,205,993	43,423,565	64,629,558
Commercial paper	-	5,926,747	5,926,747
Corporate bonds	-	5,560,169	5,560,169
Municipal bonds	-	1,817,539	1,817,539
Receivables			
Accrued interest	228,844	205,603	434,447
Other	4,307	5,084	9,391
Total assets	92,269,507	78,459,004	170,728,511
LIABILITIES			
Accounts payable	42	49	91
Deposits payable	-	-	-
Due to other funds	2,248,311	2,408,905	4,657,216
Other payables	7,245	-	7,245
Total liabilities	2,255,598	2,408,954	4,664,552
NET POSITION	\$ 90,013,909	\$ 76,050,050	\$ 166,063,959

Agency				
Guaranty Deposits	Escrow Deposits	Special Assessments Collection	Total	
\$ 461,973	\$ 630,120	\$ 472,104	\$ 1,564,197	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	-	
1,201	-	416	1,617	
-	1,541	111,847	113,388	
463,174	631,661	584,367	1,679,202	
1,000	541	-	1,541	
462,174	626,319	584,367	1,672,860	
-	-	-	-	
-	4,801	-	4,801	
463,174	631,661	584,367	1,679,202	
\$ -	\$ -	\$ -	\$ -	

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION

For the Year Ended April 30, 2013

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 4,288,000	\$ 4,588,000	\$ 8,876,000
Participants	951,223	911,619	1,862,842
Other	407,519	7,357	414,876
Total contributions	5,646,742	5,506,976	11,153,718
Investment income			
Net appreciation in fair value of investments	5,027,526	5,401,091	10,428,617
Interest income	2,460,576	1,788,421	4,248,997
Subtotal	7,488,102	7,189,512	14,677,614
Less investment expense	(252,279)	(204,594)	(456,873)
Net investment income	7,235,823	6,984,918	14,220,741
Total additions	12,882,565	12,491,894	25,374,459
DEDUCTIONS			
Administrative	38,815	23,642	62,457
Pension benefits and refunds	4,398,500	5,147,661	9,546,161
Total deductions	4,437,315	5,171,303	9,608,618
NET INCREASE	8,445,250	7,320,591	15,765,841
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	81,568,659	68,729,459	150,298,118
April 30	\$ 90,013,909	\$ 76,050,050	\$ 166,063,959

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer	\$ 4,288,000	\$ 4,288,000	\$ 4,288,000	\$ 4,038,031
Participants	1,100,000	1,100,000	951,223	935,415
Other	-	-	407,519	273,118
Total contributions	5,388,000	5,388,000	5,646,742	5,246,564
Investment income				
Net appreciation in fair value of investments	1,700,000	1,700,000	5,027,526	99,350
Interest income	2,150,000	2,150,000	2,460,576	2,338,342
Subtotal	3,850,000	3,850,000	7,488,102	2,437,692
Less investment expense	(260,000)	(260,000)	(252,279)	(202,832)
Net investment income	3,590,000	3,590,000	7,235,823	2,234,860
Total additions	8,978,000	8,978,000	12,882,565	7,481,424
DEDUCTIONS				
Administrative	53,200	53,200	38,815	64,086
Pension benefits and refunds	4,459,000	4,459,000	4,398,500	4,185,829
Total deductions	4,512,200	4,512,200	4,437,315	4,249,915
NET INCREASE	<u>\$ 4,465,800</u>	<u>\$ 4,465,800</u>	8,445,250	3,231,509
NET POSITION HELD IN TRUST FOR PENSION BENEFITS				
May 1			81,568,659	78,337,150
April 30			<u>\$ 90,013,909</u>	<u>\$ 81,568,659</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended April 30, 2013
(With Actual for 2012)

	2013			2012
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer	\$ 4,588,000	\$ 4,588,000	\$ 4,588,000	\$ 4,470,608
Participants	925,000	925,000	911,619	874,164
Other	-	-	7,357	1,701
Total contributions	5,513,000	5,513,000	5,506,976	5,346,473
Investment income				
Net appreciation in fair value in investments	2,000,000	2,000,000	5,401,091	651,408
Interest income	1,900,000	1,900,000	1,788,421	1,870,477
Subtotal	3,900,000	3,900,000	7,189,512	2,521,885
Less investment expense	(176,500)	(176,500)	(204,594)	(153,547)
Net investment income	3,723,500	3,723,500	6,984,918	2,368,338
Total additions	9,236,500	9,236,500	12,491,894	7,714,811
DEDUCTIONS				
Administrative	42,800	42,800	23,642	35,282
Pension benefits and refunds	5,237,200	5,237,200	5,147,661	4,899,304
Total deductions	5,280,000	5,280,000	5,171,303	4,934,586
NET INCREASE	<u>\$ 3,956,500</u>	<u>\$ 3,956,500</u>	7,320,591	2,780,225
NET POSITION HELD IN TRUST FOR PENSION BENEFITS				
May 1			68,729,459	65,949,234
April 30			<u>\$ 76,050,050</u>	<u>\$ 68,729,459</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended April 30, 2013

	Balances May 1	Additions	Deletions	Balances April 30
GUARANTY DEPOSITS FUND				
ASSETS				
Cash and investments	\$ 455,755	\$ 7,718	\$ 1,500	\$ 461,973
Accrued interest receivable	1,338	1,201	1,338	1,201
TOTAL ASSETS	<u>\$ 457,093</u>	<u>\$ 8,919</u>	<u>\$ 2,838</u>	<u>\$ 463,174</u>
LIABILITIES				
Accounts payable	\$ 2,500	\$ 1,000	\$ 2,500	\$ 1,000
Deposits payable	454,593	7,919	338	462,174
TOTAL LIABILITIES	<u>\$ 457,093</u>	<u>\$ 8,919</u>	<u>\$ 2,838</u>	<u>\$ 463,174</u>
ESCROW DEPOSITS FUND				
ASSETS				
Cash and investments	\$ 578,600	\$ 63,231	\$ 11,711	\$ 630,120
Receivables	1,832	1,541	1,832	1,541
TOTAL ASSETS	<u>\$ 580,432</u>	<u>\$ 64,772</u>	<u>\$ 13,543</u>	<u>\$ 631,661</u>
LIABILITIES				
Deposits payable	\$ 575,631	\$ 64,231	\$ 13,543	\$ 626,319
Accounts payable	-	541	-	541
Other payables	4,801	-	-	4,801
TOTAL LIABILITIES	<u>\$ 580,432</u>	<u>\$ 64,772</u>	<u>\$ 13,543</u>	<u>\$ 631,661</u>
SPECIAL ASSESSMENTS COLLECTION FUND				
ASSETS				
Cash and investments	\$ 412,737	\$ 74,789	\$ 15,422	\$ 472,104
Accrued interest receivable	561	416	561	416
Receivables	156,028	-	44,181	111,847
TOTAL ASSETS	<u>\$ 569,326</u>	<u>\$ 75,205</u>	<u>\$ 60,164</u>	<u>\$ 584,367</u>
LIABILITIES				
Deposits payable	<u>\$ 569,326</u>	<u>\$ 75,205</u>	<u>\$ 60,164</u>	<u>\$ 584,367</u>
TOTAL LIABILITIES	<u>\$ 569,326</u>	<u>\$ 75,205</u>	<u>\$ 60,164</u>	<u>\$ 584,367</u>

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (Continued)

For the Year Ended April 30, 2013

	Balances May 1	Additions	Deletions	Balances April 30
ALL FUNDS				
ASSETS				
Cash and investments	\$ 1,447,092	\$ 145,738	\$ 28,633	\$ 1,564,197
Accrued interest receivable	1,899	1,617	1,899	1,617
Receivables	157,860	1,541	46,013	113,388
TOTAL ASSETS	\$ 1,606,851	\$ 148,896	\$ 76,545	\$ 1,679,202
LIABILITIES				
Accounts payable	\$ 2,500	\$ 1,541	\$ 2,500	\$ 1,541
Deposits payable	1,599,550	147,355	74,045	1,672,860
Other payables	4,801	-	-	4,801
TOTAL LIABILITIES	\$ 1,606,851	\$ 148,896	\$ 76,545	\$ 1,679,202

(See independent auditor's report.)

SUPPLEMENTAL DATA

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

To account for the noncurrent portion of the Village's General Obligation Bond Issues.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2003A

April 30, 2013

Date of Issue	December 29, 2003
Date of Maturity	December 1, 2016
Authorized Issue	\$2,600,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Advance Refunding of 1997A Bonds (TIF III Portion)
Interest Dates	June and December
Redemption	Noncallable

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 225,000	\$ 38,400	\$ 263,400	2013	\$ 19,200	2013	\$ 19,200
2013	235,000	29,400	264,400	2014	14,700	2014	14,700
2014	245,000	20,000	265,000	2015	10,000	2015	10,000
2015	255,000	10,200	265,200	2016	5,100	2016	5,100
	<u>\$ 960,000</u>	<u>\$ 98,000</u>	<u>\$ 1,058,000</u>		<u>\$ 49,000</u>		<u>\$ 49,000</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2003B

April 30, 2013

Date of Issue	December 29, 2003
Date of Maturity	December 1, 2016
Authorized Issue	\$3,300,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Advance Refunding of 1997B Bonds (Senior Center)
Interest Dates	June and December
Redemption	Noncallable

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 320,000	\$ 50,200	\$ 370,200	2013	\$ 25,100	2013	\$ 25,100
2013	315,000	37,400	352,400	2014	18,700	2014	18,700
2014	310,000	24,800	334,800	2015	12,400	2015	12,400
2015	310,000	12,400	322,400	2016	6,200	2016	6,200
	<u>\$ 1,255,000</u>	<u>\$ 124,800</u>	<u>\$ 1,379,800</u>		<u>\$ 62,400</u>		<u>\$ 62,400</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2004

April 30, 2013

Date of Issue	June 1, 2004
Date of Maturity	December 1, 2026
Authorized Issue	\$20,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 5.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Acquisition, construction and equipping of a new public works building, a new fire station and a new village hall
Interest Dates	June and December
Redemption	Bonds due December 1, 2013-2015 are callable on or after December 1, 2012

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2014	\$ 100,000	\$ 914,375	\$ 1,014,375	2015	\$ 457,188	2015	\$ 457,187
	<u>\$ 100,000</u>	<u>\$ 914,375</u>	<u>\$ 1,014,375</u>		<u>\$ 457,188</u>		<u>\$ 457,187</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2005

April 30, 2013

Date of Issue	June 15, 2005
Date of Maturity	December 1, 2015
Authorized Issue	\$2,235,000
Denomination of Bonds	\$5,000
Interest Rates	3.30% to 3.65%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Redevelopment in TIF V
Interest Dates	June and December
Redemption	Bonds due December 1, 2014-2015 are callable on or after December 1, 2013

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 350,000	\$ 41,788	\$ 391,788	2013	\$ 20,894	2013	\$ 20,894
2013	400,000	29,712	429,712	2014	14,856	2014	14,856
2014	425,000	15,512	440,512	2015	7,756	2015	7,756
	<u>\$ 1,175,000</u>	<u>\$ 87,012</u>	<u>\$ 1,262,012</u>		<u>\$ 43,506</u>		<u>\$ 43,506</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2006

April 30, 2013

Date of Issue	October 1, 2006
Date of Maturity	December 1, 2019
Authorized Issue	\$20,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Acquisition, construction and equipping of a new village hall.
Interest Dates	June and December
Redemption	Bonds due December 1, 2015-2019 are callable on or after December 1, 2014

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 1,500,000	\$ 576,000	\$ 2,076,000	2013	\$ 288,000	2013	\$ 288,000
2013	1,400,000	516,000	1,916,000	2014	258,000	2014	258,000
2014	3,400,000	460,000	3,860,000	2015	230,000	2015	230,000
2015	2,100,000	324,000	2,424,000	2016	162,000	2016	162,000
2016	2,000,000	240,000	2,240,000	2017	120,000	2017	120,000
2017	2,000,000	160,000	2,160,000	2018	80,000	2018	80,000
2018	2,000,000	80,000	2,080,000	2019	40,000	2019	40,000
	<u>\$ 14,400,000</u>	<u>\$ 2,356,000</u>	<u>\$ 16,756,000</u>		<u>\$ 1,178,000</u>		<u>\$ 1,178,000</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2006A

April 30, 2013

Date of Issue	October 30, 2006
Date of Maturity	December 1, 2018
Authorized Issue	\$16,515,000
Denomination of Bonds	\$5,000
Interest Rates	4.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Current refunding of a portion of the Series 1997C General Obligation Refunding Bonds due serially on December 1, 2007 - 2012 that refunded the Village's \$21,850,000 General Obligation Bonds Series 1992A (Library Construction) and 1992B (Flood Control IV) and a portion of the Series 1998A (Fire Station) General Obligation Bonds due serially on December 1, 2007 - 2018.
Interest Dates	June and December
Redemption	Bonds due December 1, 2015-2018 are callable on or after December 1, 2014

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 275,000	\$ 74,400	\$ 349,400	2013	\$ 37,200	2013	\$ 37,200
2013	290,000	63,400	353,400	2014	31,700	2014	31,700
2014	305,000	51,800	356,800	2015	25,900	2015	25,900
2015	315,000	39,600	354,600	2016	19,800	2016	19,800
2016	330,000	27,000	357,000	2017	13,500	2017	13,500
2017	345,000	13,800	358,800	2018	6,900	2018	6,900
	<u>\$ 1,860,000</u>	<u>\$ 270,000</u>	<u>\$ 2,130,000</u>		<u>\$ 135,000</u>		<u>\$ 135,000</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009A

April 30, 2013

Date of Issue	September 8, 2009
Date of Maturity	December 1, 2014
Authorized Issue	\$8,380,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 2.50%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Advance refunding of a portion of the Series 2001 General Obligation Refunding Bonds due serially on December 1, 2010 - 2014 that refunded the Village's 1993 Flood Control V Bonds
Interest Dates	June and December
Redemption	Bonds due December 1, 2010-2014

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 2,610,000	\$ 129,600	\$ 2,739,600	2013	\$ 64,800	2013	\$ 64,800
2013	2,835,000	70,875	2,905,875	2014	35,437	2014	35,438
	<u>\$ 5,445,000</u>	<u>\$ 200,475</u>	<u>\$ 5,645,475</u>		<u>\$ 100,237</u>		<u>\$ 100,238</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2009B

April 30, 2013

Date of Issue	August 1, 2009
Date of Maturity	December 1, 2014
Authorized Issue	\$2,050,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 2.50%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Road Improvements
Interest Dates	June and December
Redemption	Bonds due December 1, 2010-2014

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			Amount
	Principal	Interest	Totals	June 1	Amount	Dec. 1	
2012	\$ 440,000	\$ 22,525	\$ 462,525	2013	\$ 11,262	2013	\$ 11,263
2013	505,000	12,625	517,625	2014	6,312	2014	6,313
	<u>\$ 945,000</u>	<u>\$ 35,150</u>	<u>\$ 980,150</u>		<u>\$ 17,574</u>		<u>\$ 17,576</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010

April 30, 2013

Date of Issue	September 22, 2010
Date of Maturity	December 1, 2022
Authorized Issue	\$2,855,000
Denomination of Bonds	\$5,000
Interest Rates	1.50% to 3.25%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Road Improvements
Interest Dates	June and December
Redemption	Bonds due December 1, 2019-2022 are callable on or after December 1, 2018

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 215,000	\$ 63,788	\$ 278,788	2013	\$ 31,894	2013	\$ 31,894
2013	215,000	60,563	275,563	2014	30,282	2014	30,281
2014	225,000	56,800	281,800	2015	28,400	2015	28,400
2015	230,000	52,300	282,300	2016	26,150	2016	26,150
2016	235,000	46,550	281,550	2017	23,275	2017	23,275
2017	245,000	40,675	285,675	2018	20,338	2018	20,337
2018	255,000	33,325	288,325	2019	16,663	2019	16,662
2019	260,000	25,675	285,675	2020	12,838	2020	12,837
2020	270,000	17,875	287,875	2021	8,938	2021	8,937
2021	280,000	9,100	289,100	2022	4,550	2022	4,550
	<u>\$ 2,430,000</u>	<u>\$ 406,651</u>	<u>\$ 2,836,651</u>		<u>\$ 203,328</u>		<u>\$ 203,323</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011

April 30, 2013

Date of Issue	August 1, 2011
Date of Maturity	December 1, 2026
Authorized Issue	\$9,925,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Advance refunding of a portion of the Series 2004 General Obligation
Interest Dates	June and December
Redemption	Bonds due December 1, 2020-2026 are callable on or after December 1, 2019

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 40,000	\$ 383,700	\$ 423,700	2013	\$ 191,850	2013	\$ 191,850
2013	60,000	382,900	442,900	2014	191,450	2014	191,450
2014	60,000	381,700	441,700	2015	190,850	2015	190,850
2015	60,000	380,500	440,500	2016	190,250	2016	190,250
2016	60,000	379,300	439,300	2017	189,650	2017	189,650
2017	65,000	377,650	442,650	2018	188,825	2018	188,825
2018	75,000	375,863	450,863	2019	187,931	2019	187,932
2019	50,000	373,800	423,800	2020	186,900	2020	186,900
2020	50,000	371,800	421,800	2021	185,900	2021	185,900
2021	900,000	369,800	1,269,800	2022	184,900	2022	184,900
2022	2,450,000	333,800	2,783,800	2023	166,900	2023	166,900
2023	2,520,000	235,800	2,755,800	2024	117,900	2024	117,900
2024	1,895,000	135,000	2,030,000	2025	67,500	2025	67,500
2025	1,480,000	59,200	1,539,200	2026	29,600	2026	29,600
	<u>\$ 9,765,000</u>	<u>\$ 4,540,813</u>	<u>\$ 14,305,813</u>		<u>\$ 2,270,406</u>		<u>\$ 2,270,407</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A

April 30, 2013

Date of Issue	February 1, 2012
Date of Maturity	December 1, 2022
Authorized Issue	\$9,670,000
Denomination of Bonds	\$5,000
Interest Rates	2.00%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Advance refunding of a portion of the Series 2004 General Obligation
Interest Dates	June and December
Redemption	Bonds due December 1, 2020-2022 are callable on or after December 1, 2019

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	Dec. 1	Amount
2012	\$ 85,000	\$ 191,200	\$ 276,200	2013	\$ 95,600	2013	\$ 95,600
2013	185,000	189,500	374,500	2014	94,750	2014	94,750
2014	185,000	185,800	370,800	2015	92,900	2015	92,900
2015	585,000	182,100	767,100	2016	91,050	2016	91,050
2016	1,000,000	170,400	1,170,400	2017	85,200	2017	85,200
2017	1,000,000	150,400	1,150,400	2018	75,200	2018	75,200
2018	1,000,000	130,400	1,130,400	2019	65,200	2019	65,200
2019	2,000,000	110,400	2,110,400	2020	55,200	2020	55,200
2020	2,145,000	70,400	2,215,400	2021	35,200	2021	35,200
2021	1,375,000	27,500	1,402,500	2022	13,750	2022	13,750
	<u>\$ 9,560,000</u>	<u>\$ 1,408,100</u>	<u>\$ 10,968,100</u>		<u>\$ 704,050</u>		<u>\$ 704,050</u>

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	155-164
Revenue Capacity	
These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	165-170
Debt Capacity	
These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	171-175
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	176-177
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	178-180

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 84,016,645	\$ 76,741,226	\$ 86,401,354	\$ 95,942,903
Restricted	7,150,561	23,778,506	19,680,403	23,406,560
Unrestricted	42,923,085	38,276,772	42,162,160	39,057,180
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 134,090,291</u>	<u>\$ 138,796,504</u>	<u>\$ 148,243,917</u>	<u>\$ 158,406,643</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 26,593,317	\$ 34,083,827	\$ 35,676,832	\$ 34,316,474
Restricted	-	-	-	-
Unrestricted	35,473,518	31,089,023	30,282,536	29,862,422
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 62,066,835</u>	<u>\$ 65,172,850</u>	<u>\$ 65,959,368</u>	<u>\$ 64,178,896</u>
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 110,609,962	\$ 110,825,053	\$ 122,078,186	\$ 130,259,377
Restricted	7,150,561	23,778,506	19,680,403	23,406,560
Unrestricted	78,396,603	69,365,795	72,444,696	68,919,602
TOTAL PRIMARY GOVERNMENT	<u>\$ 196,157,126</u>	<u>\$ 203,969,354</u>	<u>\$ 214,203,285</u>	<u>\$ 222,585,539</u>

Data Source

Audited Financial Statements

2008	2009	2010	2011	2012	2013
\$ 105,832,314	\$ 110,917,033	\$ 111,371,613	\$ 113,491,072	\$ 116,954,018	\$ 121,113,330
11,249,654	8,198,492	9,270,651	9,452,095	16,263,555	17,517,983
47,209,312	44,189,397	40,570,428	44,485,939	41,494,128	44,224,002
<u>\$ 164,291,280</u>	<u>\$ 163,304,922</u>	<u>\$ 161,212,692</u>	<u>\$ 167,429,106</u>	<u>\$ 174,711,701</u>	<u>\$ 182,855,315</u>
\$ 37,451,534	\$ 36,981,008	\$ 35,842,122	\$ 34,272,550	\$ 32,777,835	\$ 31,486,324
-	-	-	-	-	-
26,168,160	24,524,508	23,450,192	22,632,902	22,739,490	23,159,732
<u>\$ 63,619,694</u>	<u>\$ 61,505,516</u>	<u>\$ 59,292,314</u>	<u>\$ 56,905,452</u>	<u>\$ 55,517,325</u>	<u>\$ 54,646,056</u>
\$ 143,283,848	\$ 147,898,041	\$ 147,213,735	\$ 147,763,622	\$ 149,731,853	\$ 152,599,654
11,249,654	8,198,492	9,270,651	9,452,095	16,263,555	17,517,983
73,377,472	68,713,905	64,020,620	67,118,841	64,233,618	67,383,734
<u>\$ 227,910,974</u>	<u>\$ 224,810,438</u>	<u>\$ 220,505,006</u>	<u>\$ 224,334,558</u>	<u>\$ 230,229,026</u>	<u>\$ 237,501,371</u>

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007
EXPENSES				
Governmental activities				
General government	\$ 6,705,263	\$ 5,888,486	\$ 6,963,796	\$ 7,280,703
Public safety	30,383,989	28,908,330	31,411,069	34,040,770
Highways and streets	10,543,791	15,935,611	11,615,217	16,040,788
Community development	7,009,483	5,960,458	11,872,460	8,600,956
Health and welfare	1,912,129	1,874,012	1,966,963	2,147,585
Interest	2,845,524	3,252,018	3,089,512	3,429,230
Total governmental activities expenses	59,400,179	61,818,915	66,919,017	71,540,032
Business-type activities				
Water and sewer	13,200,070	12,019,665	13,084,040	15,182,980
Solid waste disposal	1,409,277	1,790,234	1,553,821	1,558,639
Arts, entertainment & events	-	-	345,743	393,922
Total business-type activities expenses	14,609,347	13,809,899	14,983,604	17,135,541
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 74,009,526	\$ 75,628,814	\$ 81,902,621	\$ 88,675,573
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 3,411,649	\$ 3,744,933	\$ 3,874,849	\$ 4,495,042
Public safety	1,562,810	1,857,420	2,667,502	2,840,514
Highways and streets	2,588,313	2,815,013	2,888,303	2,735,554
Community development	1,385,628	1,170,831	1,083,918	1,504,432
Health and welfare	58,088	55,683	42,540	51,490
Operating grants and contributions	2,998,480	2,979,951	3,052,120	2,843,666
Capital grants and contributions	260,396	110,710	360,389	54,000
Total governmental activities program revenues	12,265,364	12,734,541	13,969,621	14,524,698
Business-type activities				
Charges for services				
Water and sewer	12,109,146	11,976,990	13,035,163	12,047,636
Solid waste disposal	1,473,988	1,576,134	1,523,987	1,639,761
Art, entertainment & events	-	-	22,000	22,414
Total business-type activities program revenues	13,583,134	13,553,124	14,581,150	13,709,811
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 25,848,498	\$ 26,287,665	\$ 28,550,771	\$ 28,234,509
NET REVENUE (EXPENSE)				
Governmental activities	\$ (47,134,815)	\$ (49,084,374)	\$ (52,949,396)	\$ (57,015,334)
Business-type activities	(1,026,213)	(256,775)	(402,454)	(3,425,730)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (48,161,028)	\$ (49,341,149)	\$ (53,351,850)	\$ (60,441,064)

2008	2009	2010	2011	2012	2013
\$ 4,420,078	\$ 7,979,137	\$ 7,563,734	\$ 5,193,600	\$ 6,257,562	\$ 5,373,174
35,805,185	38,545,819	39,868,746	40,266,562	41,805,406	43,129,040
21,009,834	20,744,929	17,504,839	17,159,903	17,923,609	19,692,580
10,563,305	6,722,697	7,016,350	6,334,050	5,838,531	5,734,706
2,273,352	2,504,784	2,413,690	1,888,832	1,948,340	2,137,300
3,496,323	3,273,165	3,037,995	2,583,611	2,514,126	1,896,757
77,568,077	79,770,531	77,405,354	73,426,558	76,287,574	77,963,557
14,221,254	14,582,291	14,305,939	15,251,729	14,914,914	15,722,016
1,563,157	1,541,944	1,422,141	1,492,582	1,529,106	1,312,457
435,170	383,033	440,953	475,793	819,933	511,705
16,219,581	16,507,268	16,169,033	17,220,104	17,263,953	17,546,178
\$ 93,787,658	\$ 96,277,799	\$ 93,574,387	\$ 90,646,662	\$ 93,551,527	\$ 95,509,735
\$ 4,228,850	\$ 4,300,002	\$ 4,434,038	\$ 4,325,464	\$ 4,582,832	\$ 4,978,268
2,879,405	3,109,565	2,864,781	2,975,966	2,895,316	2,929,501
2,894,044	2,899,142	2,892,202	2,935,937	3,017,043	3,016,225
4,828,838	838,830	976,909	816,738	901,216	1,681,786
38,325	68,435	56,974	51,551	42,754	44,896
3,046,426	2,808,197	2,809,350	2,826,571	2,638,083	2,953,559
330,317	790,450	108,675	866,648	574,058	1,821,768
18,246,205	14,814,621	14,142,929	14,798,875	14,651,302	17,426,003
12,258,690	11,789,339	11,908,829	12,730,188	12,960,678	14,344,566
1,689,567	1,629,122	1,627,737	1,406,829	1,701,884	1,593,605
26,356	32,351	30,375	33,550	132,209	74,611
13,974,613	13,450,812	13,566,941	14,170,567	14,794,771	16,012,782
\$ 32,220,818	\$ 28,265,433	\$ 27,709,870	\$ 28,969,442	\$ 29,446,073	\$ 33,438,785
\$ (59,321,872)	\$ (64,955,910)	\$ (63,262,425)	\$ (58,627,683)	\$ (61,636,272)	\$ (60,537,554)
(2,244,968)	(3,056,456)	(2,602,092)	(3,049,537)	(2,469,182)	(1,533,396)
\$ (61,566,840)	\$ (68,012,366)	\$ (65,864,517)	\$ (61,677,220)	\$ (64,105,454)	\$ (62,070,950)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 23,195,624	\$ 23,805,877	\$ 26,131,769	\$ 30,146,710
Sales	11,474,159	11,367,933	11,581,997	11,324,683
Home rule sales	3,845,749	5,397,509	6,000,585	6,010,903
Replacement	283,300	316,130	407,912	443,690
Use	744,168	818,163	923,941	1,000,246
Telecommunications	5,077,539	4,987,004	4,979,356	4,402,338
Utility	-	-	-	-
Hotel	1,167,538	1,191,907	1,301,228	1,530,315
Food and beverage	1,663,710	1,662,959	1,685,141	1,777,822
Foreign fire insurance	94,973	90,695	88,963	79,812
Other	60,202	53,259	49,996	36,498
Shared income tax	4,595,006	5,161,838	5,879,378	6,485,022
Investment earnings	568,854	842,947	1,924,845	3,114,861
Miscellaneous	789,945	817,686	1,176,534	825,171
Contributions	-	-	-	-
Transfers	331,150	(2,723,320)	265,164	-
Total governmental activities	53,891,917	53,790,587	62,396,809	67,178,071
Business-type activities				
Income (loss) from joint venture	111,020	(52,366)	-	249,668
Investment earnings	254,517	308,864	509,433	726,097
Food and beverage	-	226,280	422,796	432,456
Miscellaneous	139,441	156,692	521,907	237,036
Contributions	691,267	-	-	-
Transfers	(331,150)	2,723,320	(265,164)	-
Total business-type activities	865,095	3,362,790	1,188,972	1,645,257
TOTAL PRIMARY GOVERNMENT	\$ 54,757,012	\$ 57,153,377	\$ 63,585,781	\$ 68,823,328
CHANGE IN NET POSITION				
Governmental activities	\$ 6,757,102	\$ 4,706,213	\$ 9,447,413	\$ 10,162,737
Business-type activities	(161,118)	3,106,015	786,518	(1,780,473)
TOTAL PRIMARY GOVERNMENT	\$ 6,595,984	\$ 7,812,228	\$ 10,233,931	\$ 8,382,264

Data Source

Audited Financial Statements

2008	2009	2010	2011	2012	2013
\$ 28,321,080	\$ 29,517,038	\$ 29,321,029	\$ 28,710,137	\$ 30,715,129	\$ 30,390,556
10,999,700	10,446,148	9,570,850	10,369,871	10,519,988	10,333,345
5,736,288	5,244,404	5,139,660	6,574,175	6,897,071	6,582,209
516,811	464,953	411,138	455,733	410,962	415,244
1,079,824	1,085,127	915,224	1,103,427	1,101,284	1,190,737
4,711,422	4,419,759	4,158,597	3,772,498	4,269,272	3,606,605
-	-	917,319	4,051,320	5,265,951	5,568,711
1,705,506	1,360,158	893,169	814,905	885,190	959,547
1,835,620	1,784,132	1,681,355	1,674,096	1,750,023	1,843,377
90,579	90,271	104,658	117,835	123,597	129,456
45,162	43,066	46,465	52,554	40,782	57,439
7,084,398	7,010,647	6,111,105	5,998,989	6,135,155	6,768,141
2,121,255	1,090,223	581,468	351,656	217,990	201,421
958,864	1,403,621	1,018,158	746,901	886,473	634,380
-	10,005	-	-	-	-
-	-	300,000	50,000	(300,000)	-
65,206,509	63,969,552	61,170,195	64,844,097	68,918,867	68,681,168
366,174	-	-	-	-	-
494,152	235,433	116,958	58,387	27,741	23,362
459,171	478,671	419,219	420,102	433,045	460,424
366,269	228,174	152,713	234,186	320,267	178,341
-	-	-	-	-	-
-	-	(300,000)	(50,000)	300,000	-
1,685,766	942,278	388,890	662,675	1,081,053	662,127
\$ 66,892,275	\$ 64,911,830	\$ 61,559,085	\$ 65,506,772	\$ 69,999,920	\$ 69,343,295
\$ 5,884,637	\$ (986,358)	\$ (2,092,230)	\$ 6,216,414	\$ 7,282,595	\$ 8,143,614
(559,202)	(2,114,178)	(2,213,202)	(2,386,862)	(1,388,129)	(871,269)
\$ 5,325,435	\$ (3,100,536)	\$ (4,305,432)	\$ 3,829,552	\$ 5,894,466	\$ 7,272,345

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007
GENERAL FUND				
Reserved	\$ 282,297	\$ 369,750	\$ 224,326	\$ 1,600,742
Unreserved	17,044,168	18,036,737	20,189,585	18,974,274
Nondspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 17,326,465	\$ 18,406,487	\$ 20,413,911	\$ 20,575,016
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 7,708,613	\$ 24,394,865	\$ 23,882,679	\$ 21,510,777
Unreserved, reported in				
Special Revenue Funds	3,023,882	1,585,964	1,674,682	926,270
Capital Project Funds	8,402,210	4,270,623	5,061,858	7,573,195
Nondspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 19,134,705	\$ 30,251,452	\$ 30,619,219	\$ 30,010,242

Data Source

Audited Financial Statements

* The Village adopted GASB Statement No. 54 for the fiscal year ended April 30, 2012.

2008	2009	2010	2011	2012*	2013
\$ 397,168	\$ 251,626	\$ 204,484	\$ 204,005	\$ -	\$ -
21,720,502	19,086,835	17,415,479	20,207,484	-	-
-	-	-	-	121,491	208,379
-	-	-	-	-	-
-	-	-	-	600,699	592,930
-	-	-	-	22,321,417	22,380,114
<u>\$ 22,117,670</u>	<u>\$ 19,338,461</u>	<u>\$ 17,619,963</u>	<u>\$ 20,411,489</u>	<u>\$ 23,043,607</u>	<u>\$ 23,181,423</u>
\$ 12,566,414	\$ 9,166,943	\$ 9,274,651	\$ 9,459,952	\$ -	\$ -
2,627,077	6,441,755	6,404,202	6,299,665	-	-
7,362,727	5,716,699	6,162,092	6,399,997	-	-
-	-	-	-	-	257,979
-	-	-	-	16,263,555	17,517,983
-	-	-	-	8,191,945	10,156,751
-	-	-	-	-	-
<u>\$ 22,556,218</u>	<u>\$ 21,325,397</u>	<u>\$ 21,840,945</u>	<u>\$ 22,159,614</u>	<u>\$ 24,455,500</u>	<u>\$ 27,932,713</u>

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007
REVENUES				
Taxes	\$ 54,054,373	\$ 54,524,789	\$ 58,631,360	\$ 63,043,931
Licenses and permits	3,124,609	3,891,261	3,915,711	4,414,540
Intergovernmental	679,917	2,827,419	2,975,600	2,832,061
Grants	774,403	602,075	562,112	266,749
Charges for services	1,550,033	1,599,127	1,652,077	1,729,101
Fines and fees	3,364,561	3,805,006	4,775,288	5,207,873
Contributions	-	-	-	-
Investment income	567,703	842,947	1,924,844	3,114,861
Rents and reimbursables	208,456	438,583	463,729	468,418
Miscellaneous	1,518,485	717,241	1,200,545	625,235
Total revenues	65,842,540	69,248,448	76,101,266	81,702,769
EXPENDITURES				
General government	5,025,877	5,681,324	5,548,724	5,686,903
Public safety	26,808,383	28,054,035	30,362,748	33,002,637
Highways and streets	8,302,897	10,579,463	10,981,937	11,766,455
Community development	4,967,420	4,786,450	5,150,798	5,487,557
Health and welfare	1,880,893	1,839,672	1,966,963	2,147,585
Capital outlay	9,108,811	13,700,342	11,294,960	32,891,951
Debt service				
Principal retirement	6,517,500	6,545,000	6,820,000	5,845,000
Interest and fiscal charges	2,844,619	2,354,019	3,543,365	2,520,132
Other charges	56,418	112,958	56,762	294,144
Total expenditures	65,512,818	73,653,263	75,726,257	99,642,364
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	329,722	(4,404,815)	375,009	(17,939,595)
OTHER FINANCING SOURCES (USES)				
Bonds issued	8,365,000	20,000,000	2,235,000	36,515,000
Bond premium (discount)	143,519	(71,746)	5,618	187,842
Payment to refund bond escrow	(8,445,024)	-	-	(16,951,117)
Transfers in	9,463,247	6,365,668	5,824,288	6,817,268
Transfers (out)	(9,794,397)	(9,692,338)	(6,064,724)	(9,077,268)
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	(267,655)	16,601,584	2,000,182	17,491,725
NET CHANGE IN FUND BALANCES	\$ 62,067	\$ 12,196,769	\$ 2,375,191	\$ (447,870)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	14.91%	13.78%	14.83%	11.51%

Data Source

Audited Financial Statements

2008	2009	2010	2011	2012	2013
\$ 62,026,321	\$ 61,375,433	\$ 59,165,913	\$ 63,577,704	\$ 61,855,652	\$ 60,947,768
4,206,336	3,737,099	3,644,510	3,373,772	3,618,724	4,289,920
3,164,765	2,254,702	2,237,939	2,282,831	8,297,534	9,428,030
312,047	1,434,215	784,744	1,528,222	1,173,358	1,447,303
5,248,647	1,795,352	1,960,514	2,021,291	2,030,165	2,052,554
5,191,984	5,490,768	5,410,109	5,530,326	5,595,692	6,051,687
-	10,005	-	-	-	-
2,121,251	1,090,221	581,474	351,658	217,990	201,421
440,515	462,268	448,573	406,325	431,382	436,635
740,848	1,134,110	779,348	520,843	649,662	454,263
83,452,714	78,784,173	75,013,124	79,592,972	83,870,159	85,309,581
6,116,676	6,536,042	7,875,528	5,771,441	5,890,843	4,698,107
35,059,075	36,927,740	37,509,901	38,956,847	40,684,642	42,291,156
12,079,230	12,462,281	9,515,911	9,457,575	9,250,565	11,089,158
7,709,444	5,900,626	5,593,968	5,214,087	5,073,806	5,129,100
2,273,352	2,412,863	2,344,242	1,880,681	1,861,099	2,153,765
19,132,180	9,120,302	8,241,071	7,106,267	7,053,543	8,358,862
5,504,653	6,119,781	5,833,691	5,570,000	6,360,000	5,835,000
3,592,874	3,189,568	3,035,994	2,580,096	2,199,945	1,739,404
10,953	-	-	36,426	147,895	-
91,478,437	82,669,203	79,950,306	76,573,420	78,522,338	81,294,552
(8,025,723)	(3,885,030)	(4,937,182)	3,019,552	5,347,821	4,015,029
2,100,000	-	10,430,000	2,855,000	19,595,000	-
-	-	130,520	34,909	395,279	-
-	-	(8,426,288)	(2,849,266)	(19,810,106)	-
765,380	1,782,620	4,620,097	1,693,003	2,982,025	5,775,747
(765,380)	(1,907,620)	(3,020,097)	(1,643,003)	(3,582,025)	(6,175,747)
14,353	-	-	-	-	-
2,114,353	(125,000)	3,734,232	90,643	(419,827)	(400,000)
\$ (5,911,370)	\$ (4,010,030)	\$ (1,202,950)	\$ 3,110,195	\$ 4,927,994	\$ 3,615,029
10.16%	11.96%	11.33%	10.70%	10.92%	9.51%

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

POLICE PENSION FUND
TAX LEVIES AND CONTRIBUTIONS

Last Ten Levy Years

Levy Year	Annual Actuarial Requirement from Actuary	Actual Amount Levied	Percentage of Annual Required Contribution from Actuary	Recognized for Annual Required Contribution from Actuary	Actual Revenue Recognized in Fiscal Year
2003	\$ 1,811,697	\$ 1,811,700	100%	\$ 1,811,700	2005
2004	2,064,339	2,064,300	100%	2,064,300	2006
2005	2,182,071	2,256,000	103%	2,256,000	2007
2006	2,239,939	2,285,000	102%	2,285,000	2008
2007	2,244,687	2,307,800	103%	2,307,800	2009
2008	2,325,266	2,442,000	105%	2,442,000	2010
2009	2,875,430	3,378,000	117%	3,379,573	2011
2010	3,679,006	4,038,000	110%	4,039,909	2012
2011	4,288,185	4,288,000	100%	4,288,000	2013
2012	4,136,305	4,330,880	105%	4,262,015*	2014

* Actual revenue recognized will be at least what is budgeted.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND
TAX LEVIES AND CONTRIBUTIONS

Last Ten Levy Years

Levy Year	Annual Actuarial Requirement from Actuary	Actual Amount Levied	Percentage of Annual Required Contribution from Actuary	Recognized for Annual Required Contribution from Actuary	Actual Revenue Recognized in Fiscal Year
2003	\$ 1,881,179	\$ 1,881,200	100%	\$ 1,881,200	2005
2004	2,134,795	2,134,800	100%	2,134,800	2006
2005	2,554,228	2,663,000	104%	2,679,241	2007
2006	2,730,049	2,856,000	105%	2,856,000	2008
2007	2,977,176	3,091,000	104%	3,109,350	2009
2008	3,098,000	3,244,000	105%	3,244,000	2010
2009	3,554,720	3,948,000	111%	3,948,000	2011
2010	4,195,008	4,459,000	106%	4,470,604	2012
2011	4,574,540	4,588,000	100%	4,588,000	2013
2012	4,588,979	4,701,000	102%	4,701,000*	2014

* Actual revenue recognized will be at least what is budgeted.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate
2003	\$ 1,374,493,159	\$ 648,789,772	\$ 240,692,792	\$ 372,219	\$ 2,264,347,942	\$ 6,793,723,198	\$ 1.1760
2004	1,610,714,750	719,968,688	263,159,973	415,112	2,594,258,523	7,783,553,924	1.1310
2005	1,762,207,094	741,323,044	274,464,955	391,482	2,778,386,575	8,335,993,324	1.1870
2006	1,803,976,148	802,869,636	274,238,259	389,265	2,881,473,308	8,645,284,452	1.2770
2007	2,159,681,431	908,782,142	317,501,919	424,008	3,386,389,500	10,160,184,518	1.1340
2008	2,363,924,787	927,728,746	332,953,746	460,399	3,625,067,678	10,876,290,663	1.0720
2009	2,562,767,692	855,590,509	280,348,725	549,104	3,699,256,030	11,098,877,978	1.1080
2010	2,328,125,638	808,869,919	261,967,060	679,364	3,399,641,981	10,199,945,938	1.2540
2011	2,181,305,538	687,378,788	224,364,941	719,722	3,093,768,989	9,282,235,191	1.3850
2012	N/A	N/A	N/A	N/A	N/A	N/A	1.5320

Note: Property is assessed at 33.33% of actual value.

N/A - Information not yet available.

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tax rates per \$100 of EAV										
Village direct rates										
Village of Arlington Heights	0.750	0.740	0.800	0.866	0.763	0.722	0.755	0.866	0.955	1.062
Arlington Heights Memorial Library	0.426	0.391	0.387	0.411	0.371	0.350	0.353	0.388	0.430	0.470
Total Village direct rate	1.176	1.131	1.187	1.277	1.134	1.072	1.108	1.254	1.385	1.532
Overlapping rates										
County (including Forest Preserve)	0.718	0.653	0.607	0.557	0.499	0.466	0.443	0.423	0.520	0.594
Metro Reclamation District	0.361	0.347	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370
School District #25	3.653	3.156	3.225	3.295	2.890	2.807	2.510	2.813	3.101	3.416
School District #214	1.982	1.818	1.759	1.823	1.621	1.587	1.636	1.839	2.067	2.324
School District #512	0.310	0.279	0.281	0.288	0.260	0.256	0.258	0.295	0.334	0.373
Park District's	0.516	0.466	0.453	0.461	0.404	0.379	0.392	0.450	0.496	0.545
Wheeling Township	0.047	0.042	0.041	0.043	0.038	0.038	0.039	0.043	0.048	0.052
Other	0.037	0.031	0.035	0.037	0.041	0.029	0.050	0.079	0.059	0.036
Total Tax Rate Per \$100 of EAV	8.800	7.923	7.903	8.065	7.150	6.886	6.697	7.470	8.330	9.242

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2013			2004		
	Equalized Assessed Value*	Rank	Percentage of Total Village Equalized Assessed Valuation*	Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
Luther Village	\$ 43,849,356	1	1.534%	\$ 34,299,173	3	1.234%
Nokia Siemens Networks	32,452,830	2	1.135%			
Arlington International Racecourse	28,884,777	3	1.010%	42,483,720	2	1.529%
Town & Country Mall	20,565,525	4	0.719%	14,288,773	10	0.514%
Northpoint Mall	19,437,789	5	0.680%	25,615,142	4	0.922%
New Plan Excel Realty Trust	19,196,207	6	0.671%	-	-	-
Tanglewood Apartments	11,938,422	7	0.418%	24,506,697	5	0.882%
YPI Arlington	10,833,774	8	0.379%	-	-	-
E Property Tax Ridge Place	10,134,826	9	0.354%	-	-	-
Robin Reality Management	9,998,123	10	0.350%	-	-	-
Hamilton Partners	-	-	-	20,235,457	7	0.728%
Marriott	-	-	-	18,677,976	8	0.672%
Motorola	-	-	-	45,754,640	1	1.647%
200 Arlington Place	-	-	-	16,461,863	9	0.592%
Heller Rour 02186	-	-	-	20,476,171	6	0.737%
	<u>\$ 207,291,629</u>		<u>7.250%</u>	<u>\$ 262,799,612</u>		<u>9.457%</u>

Note

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

* Based on 2012 Equalized Assessed Valuations.

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 26,602,030	\$ 26,538,185	99.76%	\$ 31,923	\$ 26,570,108	99.88%
2004	29,310,353	29,049,491	99.11%	96,724	29,146,215	99.44%
2005	32,956,020	32,441,906	98.44%	230,692	32,672,598	99.14%
2006	36,785,532	36,583,211	99.45%	114,035	36,697,246	99.76%
2007	38,401,657	37,660,505	98.07%	341,775	38,002,280	98.96%
2008	38,860,726	38,538,182	99.17%	15,544	38,553,726	99.21%
2009	42,700,560	41,915,785	98.16%	147,985	42,063,770	98.51%
2010	44,372,124	43,608,924	98.28%	195,237	43,804,161	98.72%
2011	42,825,033	42,111,067	98.33%	20,200	42,131,267	98.38%
2012*	21,886,069	21,483,365	98.16%	-	21,483,365	98.16%

* Levy year 2012 represents only the first of two installments.

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita*
	Gross General		Gross General	Capital			
	Obligation Bonds		Obligation Bonds	Leases			
2004	\$ 55,080,000		\$ 1,140,000	\$ -	\$ 56,220,000	2.20%	\$ 739.44
2005	68,535,000		875,000	-	69,410,000	2.69%	902.10
2006	63,950,000		595,000	-	64,545,000	2.50%	838.87
2007	77,995,000		300,000	-	78,295,000	3.03%	1,017.57
2008	73,330,000		-	-	73,330,000	2.84%	953.04
2009	68,130,000		-	-	68,130,000	2.64%	885.46
2010	64,690,000		-	-	64,690,000	2.14%	861.37
2011	59,185,000		-	-	59,185,000	1.96%	788.07
2012	53,730,000		-	-	53,730,000	1.78%	715.44
2013	47,895,000		-	-	47,895,000	1.58%	637.74

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

* See the schedule of Demographic and Economic Information on page 176 for personal income and population data.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Less: Debt Payable from Enterprise Revenue	Total	(1) Percentage of Estimated Actual Taxable Value of Property	(2) Per Capita
2004	\$ 56,220,000	\$ 5,039,314	\$ 1,140,000	\$ 50,040,686	0.74%	\$ 658.16
2005	69,410,000	5,061,779	875,000	63,473,221	0.82%	824.94
2006	64,545,000	3,678,600	595,000	60,271,400	0.72%	783.33
2007	78,295,000	1,916,428	300,000	76,078,572	0.88%	988.77
2008	73,330,000	1,962,895	-	71,367,105	0.70%	927.53
2009	68,130,000	1,946,327	-	66,183,673	0.61%	860.16
2010	64,690,000	1,789,843	-	62,900,157	0.57%	837.54
2011	59,185,000	1,744,304	-	57,440,696	0.56%	764.85
2012	53,730,000	1,761,874	-	51,968,126	0.56%	691.98
2013	47,895,000	1,724,730	-	46,170,270	N/A	614.78

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

(1) See the schedule of Assessed Value and Actual Value of Taxable Property on page 167 for property value data. These ratios are calculated using levy year data.

(2) See the schedule of Demographic and Economic Information on page 176 for population data. These ratios are calculated using calendar year data.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2013

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Arlington Heights*	Village of Arlington Heights Share of Debt
Village of Arlington Heights - General Obligation	\$ 47,895,000	100.000%	\$ 47,895,000
Village of Arlington Heights - Water and Sewer	-	100.000%	-
Total direct debt	47,895,000		47,895,000
Community College District 512	182,990,000	16.251%	29,737,705
Arlington Heights School District 25	5,120,000	96.813%	4,956,826
Cook County School District 15	25,958,750	3.016%	782,916
Cook County School District 21	47,585,000	23.392%	11,131,083
Cook County School District 59	13,455,000	13.627%	1,833,513
Prospect Heights School District 23	1,560,000	35.090%	547,404
Palatine Township High School District 211	24,970,000	0.510%	127,347
Arlington Heights School District 214	46,530,000	32.600%	15,168,780
Cook County School District 57	10,600,000	3.644%	386,264
Cook County	3,706,435,000	2.104%	77,983,392
Forest Preserve of Cook County	187,950,000	2.104%	3,954,468
Metropolitan Water Reclamation District of Greater Chicago	2,492,761,543	2.148%	53,544,518
Arlington Heights Park District	20,730,121	97.200%	20,149,678
Buffalo Grove Park District	10,190,000	13.710%	1,397,049
Prospect Heights Park District	10,394,097	5.285%	549,328
Mount Prospect Park District	7,070,000	2.734%	193,294
Palatine Park District	11,235,000	0.997%	112,013
Salt Creek Park District	4,303,000	31.068%	1,336,856
Total overlapping debt	6,809,837,511		223,892,434
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 6,857,732,511		\$ 271,787,434

* Determined by ratio of assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in the Village. Percentages are based on 2012 Equalized Assessed Valuations.

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2013

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Water Bonds						Special Assessment Bonds and/or Vouchers				
	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	Current Special Assessment Billed	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2004	\$ 12,248,587	\$ 11,321,878	\$ 926,709	\$ 270,000	\$ 25,699	\$ 3.13	\$ 72,478	\$ 189,314	\$ -	\$ 0.38	
2005	12,133,682	10,093,125	2,040,557	290,000	57,250	5.88	51,942	119,996	3,346	0.42	
2006	13,557,070	11,299,702	2,257,368	280,000	55,003	6.74	38,109	83,182	-	0.46	
2007	12,955,422	13,555,956	(600,534)	295,000	42,357	(1.78)	32,456	47,474	-	0.68	
2008*	13,055,726	12,578,288	477,438	300,000	10,371	1.54	156,014	3,099,585	2,353	0.05	
2009	12,085,784	12,852,717	(766,933)	-	-	0.00	86,516	175,605	20,865	0.44	
2010	12,110,994	12,734,290	(623,296)	-	-	0.00	42,493	132,546	11,941	0.29	
2011	12,888,535	13,750,981	(862,446)	-	-	0.00	35,447	-	-	0.00	
2012	13,130,609	13,483,848	(353,239)	-	-	0.00	30,650	-	-	0.00	
2013	14,517,362	14,331,095	186,267	-	-	0.00	27,292	-	-	0.00	

Note: Details of the Village's outstanding debt can be found in the notes to financial statements. Water Charges and Other includes investment earnings but not tap on fees. Operating expenses do not include interest or depreciation.

* The Public Benefit portion of Special Assessment #206 was paid in full.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Fiscal Year	(1) Population	(1) Personal Income	Per Capita Personal Income	(2) Unemployment Rate
2004	76,031	\$ 2,550,383,864	\$ 33,544	4.60%
2005	76,943	2,580,975,992	33,544	4.50%
2006	76,943	2,580,975,992	33,544	3.20%
2007	76,943	2,580,975,992	33,544	3.50%
2008	76,943	2,580,975,992	33,544	4.30%
2009	76,943	2,580,975,992	33,544	7.60%
2010	75,101	3,024,842,977	40,277	7.40%
2011	75,101	3,024,842,977	40,277	7.20%
2012	75,101	3,024,842,977	40,277	6.60%
2013	75,101	3,024,842,977	40,277	7.60% *

* Unemployment rate (not seasonally adjusted) through June 2013.

Data Sources

- (1) U.S. Bureau of the Census
- (2) Illinois Department of Employment Security

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2013			2004		
	Rank	Number of Employees	Percentage of Total Village Employment	Rank	Number of Employees	Percentage of Total Village Employment
Arlington International Racecourse (Seasonal)	1	4,500	12.36%	2	3,100	7.78%
Northwest Community Healthcare	2	4,000	10.99%	3	3,000	7.53%
Arlington Heights High School District # 214	3	1,670	4.59%	4	1,520	3.81%
Nokia Siemens Networks	4	1,267	3.48%			
Lutheran Home	5	700	1.92%	9	450	1.13%
Alexian Brothers Health System	6	600	1.65%	-	-	-
Paddock Publications	7	550	1.51%	6	550	1.38%
Village of Arlington Heights	8	427	1.17%	8	465	1.17%
Pace	9	281	0.77%	-	-	-
Webber Marking System, Inc.	10	256	0.70%	-	-	-
Motorola Inc. - Cellular Phone Division	-	-	-	1	5,500	13.80%
Ameritech/IBM	-	-	-	5	900	2.26%
Market Facts	-	-	-	7	500	1.25%
Arlington Park Hilton	-	-	-	10	400	1.00%
		<u>14,251</u>	<u>39.15%</u>		<u>16,385</u>	<u>41.11%</u>

Data Source

Illinois Manufacturers Directory, Illinois Services Directory and a selective telephone survey.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FULL-TIME EQUIVALENT VILLAGE GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL GOVERNMENT										
Manager's Office	5.00	5.50	5.50	5.50	5.50	6.50	6.50	6.00	6.00	6.00
Human Resources	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	4.00
Legal	3.50	3.50	3.50	3.50	3.50	3.25	3.25	2.75	2.75	2.75
Finance	20.50	20.50	20.50	19.00	19.00	19.00	17.50	16.50	17.50	17.50
Village Clerk	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
IT	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
GIS	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Buildings and Grounds	7.00	7.00	7.00	7.00	7.00	8.00	7.00	7.00	7.00	-
PUBLIC SAFETY										
Police										
Officers	113.00	113.00	113.00	113.00	113.00	114.00	114.00	109.00	109.00	109.00
Civilian	37.00	37.00	37.00	37.00	37.00	36.00	34.00	31.00	30.00	30.00
Fire										
Firefighters and Officers	102.00	102.00	103.00	102.00	111.00	111.00	111.00	108.00	108.00	108.00
Civilian	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.50	2.50	2.50
COMMUNITY DEVELOPMENT										
Planning and Community Development	12.00	11.50	11.50	11.50	11.75	11.75	11.25	9.00	9.00	9.00
Building	19.00	19.00	18.00	18.00	18.50	19.50	18.50	17.50	16.00	16.00
Engineering	14.00	13.00	13.00	13.00	13.00	13.00	12.00	10.00	10.00	10.00
HEALTH AND WELFARE										
Health Services	11.00	11.00	11.00	11.00	11.00	11.00	11.00	10.00	9.50	9.50
Youth Services	3.00	3.00	3.50	3.50	3.50	3.50	3.50	-	-	-
Senior Services	4.50	4.50	4.50	4.50	4.50	4.75	3.75	3.75	3.75	3.50
HIGHWAYS AND STREETS										
Public Works	43.00	42.50	42.00	42.00	42.00	42.25	42.25	37.25	35.25	42.25
OTHER PUBLIC WORKS										
Water Utility Operations	41.00	41.00	41.00	41.00	41.00	41.25	41.25	41.25	40.25	40.75
Fleet Services	11.00	11.00	11.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
TOTAL	465.00	463.50	464.00	458.50	468.25	471.75	462.75	434.50	427.00	427.25

Data Source

Village of Arlington Heights Finance Department

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013*
PUBLIC SAFETY										
Police										
Service calls	30,490	30,128	29,997	29,882	29,613	28,074	26,221	26,211	25,425	11,569
Total crime reported	5,884	5,347	5,076	4,580	5,193	4,550	3,694	3,815	3,232	1,111
Arrests	1,790	1,993	2,139	1,486	1,475	1,381	1,309	1,171	1,089	1,006
Citations issued	26,894	35,459	35,739	32,339	33,018	29,443	24,593	26,443	28,956	15,918
Fire										
Service calls (EMS)	6,002	5,908	6,078	6,233	6,588	6,318	6,387	6,718	6,688	3,283
Service calls (non-EMS)	2,740	3,131	2,930	3,415	3,396	3,198	3,201	3,576	3,349	1,559
PUBLIC WORKS										
Snow removal (miles)	40,507	37,089	27,089	75,529	97,185	61,049	53,418	53,188	51,795	24,843
Streets resurfaced (miles)	9.95	8.30	7.11	6.32	8.09	8.00	8.52	8.40	9.54	1.60
WATER										
Water main breaks	151	309	162	173	174	145	284	247	363	100
Sewer repairs	41	36	18	22	23	24	16	26	13	5
Average daily consumption	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD

Data Source

Various Village Departments

* Through June 2013

MGD - Million Gallons Daily

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
PUBLIC SAFETY										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Marked police vehicles	41	41	38	38	48	48	49	45	45	44
Unmarked police vehicles	9	12	14	16	10	14	14	13	17	17
Police motorcycles	4	4	4	4	4	4	4	4	4	4
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire pumpers	6	6	6	6	7	7	6	6	6	6
Fire ladder trucks	2	2	2	2	2	2	2	2	2	2
Rescue squads	2	4	4	4	4	4	3	4	4	4
Ambulances	7	6	6	6	6	6	6	6	6	6
Utility vehicles	1	1	-	-	-	-	-	-	1	1
Boats with trailer	1	1	1	1	1	1	1	1	1	1
TRS rescue trailers	1	1	1	1	1	1	1	1	1	1
Public education trailers	-	1	1	1	1	1	1	1	1	1
Hazardous material vehicles	1	1	1	1	1	1	1	1	1	1
Administrative vehicles	8	8	8	8	9	10	11	9	9	9
PUBLIC WORKS										
Streets (miles)	223	223	223	229	229	229	229	230	230	230
Streetlights	3,196	3,196	3,196	3,207	3,207	3,207	3,207	3,212	3,212	3,212
Traffic signals	9,781	9,781	9,781	9,784	9,784	9,784	9,784	9,784	9,784	9,784
WATER										
Water mains (miles)	240	250	252	252	252	252	252	253	253	253
Fire hydrants	2,704	2,704	2,732	2,732	2,732	2,732	2,732	2,740	2,740	2,740
Storage capacity (gallons)	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
WASTEWATER										
Sanitary sewers (miles)	223	225	226	226	226	226	226	227	227	227
Storm sewers (miles)	158	161	162	162	162	162	162	163	163	163

Data Source

Various Village Departments