

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2017



VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

33 South Arlington Heights Road
Arlington Heights, Illinois 60005-1499

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2017

Prepared by the Finance Department

Thomas F. Kuehne, Finance Director/Treasurer
Mary Juarez, Assistant Finance Director
Alexis Smulson, Accounting Manager

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Arlington Heights including:

- Principal Officers
- Organization Structure
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Principal Officers
December 31, 2017

VILLAGE BOARD

Thomas W. Hayes, Village President

| | |
|-----------------|----------------|
| Carol Blackwood | Bert Rosenberg |
| Richard Baldino | John Scaletta |
| Thomas Glasgow | Michael Sidor |
| Robin La Bedz | Jim Tinaglia |

ADMINISTRATION

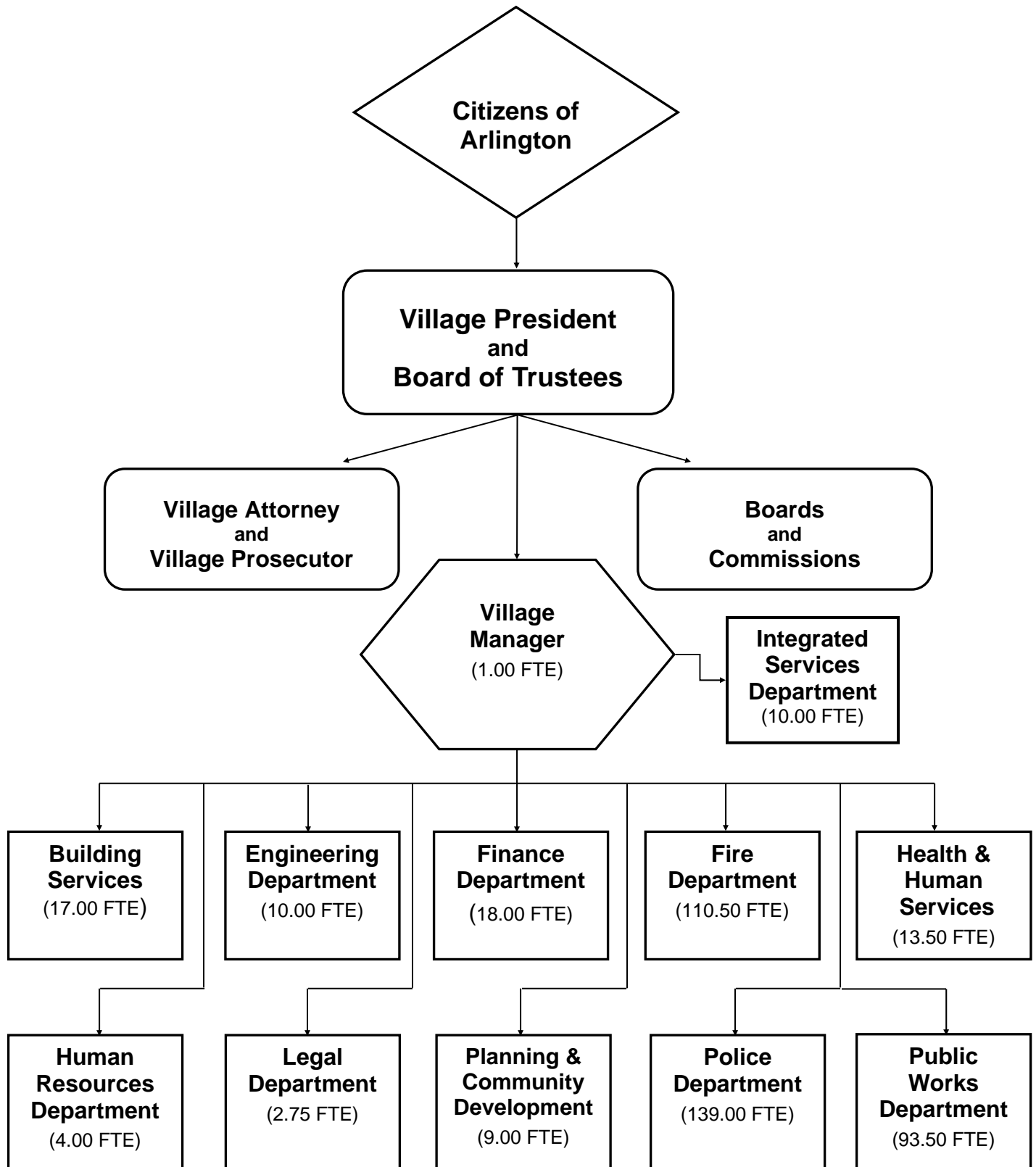
Village Manager, Randy Recklaus

| | |
|---|------------------------------|
| Village Attorney | Mark Burkland |
| Village Clerk..... | Rebecca Hume |
| Assistant to the Village Manager..... | Diana Mikula |
| Director of Human Resources | Mary Rath |
| In-House Counsel | Robin Ward |
| Finance Director/Treasurer | Thomas F. Kuehne |
| Chief of Police | Gerald Mourning |
| Fire Chief | Kenneth Koeppen |
| Director of Planning & Community Development..... | Charles Witherington-Perkins |
| Director of Building Services | Steven Touloumis |
| Director of Health & Human Services..... | James McCalister |
| Director of Engineering | Jim Massarelli |
| Public Works Director | Scott Shirley |

VILLAGE OF ARLINGTON HEIGHTS

(428.25 FTE)

ORGANIZATION STRUCTURE





Village of Arlington Heights

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

April 25, 2018

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 December 31, 2017, 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 Lauterbach & Amen 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 year ended December 31, 2017, 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 unmodified opinion that the Village's financial statements for the year ended December 31, 2017, 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 74% residential and 26% 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 assigned and unassigned components of fund balance) in the General Fund at year end was 43.6% 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 through 2016. The Village's ongoing economic strength is demonstrated by new businesses that continue to open in the Village. The former 400-room Sheraton Chicago Northwest Hotel just west of Arlington International Racecourse closed in 2009 and is now the site of a \$250 million multi-use redevelopment called Arlington Downs. The site includes the recently opened luxury apartments in the existing building that was completely gutted and redeveloped, and plans for new restaurants, retail shops, and a

new separate hotel building located within the planned unit development. The Arlington Downs development is expected to be fully completed over the next few 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 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 ended December 31, 2017; 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 \$7.28 million was spent on the ongoing street resurfacing and street reconstruction programs.
- \$3.18 million was spent on water and sewer rehabilitation and replacement projects.
- Other significant capital expenses included:
 - \$2,008,000 toward the replacement of Village vehicles;
 - \$1,625,000 on storm water control improvements;
 - \$467,000 for the removal and replacement of parkway ash trees;
 - \$770,000 for municipal parking lot improvements.

Relevant Financial Policies

During 2017, while still maintaining a healthy surplus, the General Fund transferred capital funds to the Health Insurance Fund to help cover medical insurance costs which increased 12% over the prior year.

The Village Board approved a \$1,500 and \$12 per mile Ambulance Transport Fee to help fill the gap caused by state cuts to the Village's share of income and sales tax revenues and the rising costs of providing emergency medical services. The new fee will bring in approximately \$960,000 in new revenue. Along with the fee increase, the Village reduced the net cost for residents by waiving deductibles, co-payments, mileage and any other associated costs outside reimbursements from their health plans.

In addition, a stormwater utility fee was approved in order to generate \$1.63 million annually to cover planned infrastructure projects over the next five years, as well as current stormwater control efforts.

The Village entered into an agreement with IRMA (Intergovernmental Risk Management Agency) to provide all of the Village's General Liability and Workers' Compensation Insurance. IRMA offers a program where local communities are able to pool their risk under an insurance pool which should allow insurance costs to be more predictable from year to year as high and low claim years are smoothed out across the pool. The Village will save approximately \$230,000 annually from the self-insurance component, which has a much lower deductible of \$100,000 per claim, versus the prior \$750,000 for Workers' Compensation and \$1 million for General Liability claims.

The Village joined the Geographic Information System Consortium (GISC) to meet the Village's GIS needs. GISC is a proven solution for communities who are increasingly being challenged to do more with less. Its collaborative approach reduces costs while improving public services. GISC is an organization of Chicago-area communities unified by a common goal: to share resources, information, staffing, and technology so that municipalities can optimize the value of geographic information systems (GIS).

A new compensation system was introduced that can be more easily monitored and maintained than our prior compensation plan. This new plan will allow the Village to keep up with the market and scale increases to meet our budgetary needs in the future.

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 period ended December 31, 2016. This was the twenty-eighth 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, Alexis Smulson, Accounting Manager, 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 continued 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, appearing to read "Thomas F. Kuehne". The signature is fluid and cursive, with the first name "Thomas" being the most prominent part.

Thomas F. Kuehne
Finance Director/Treasurer



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

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules
- Supplemental Schedules

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

April 25, 2018

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

Report on the Financial Statements

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 December 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 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's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2018, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision 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 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's internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

The VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2017

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 iii) and the Village's financial statements (beginning on Page 3).

Financial Highlights

- The Village's total net position increased by \$8.1 million or 4.8% during the calendar year ending December 31, 2017. The governmental net position increased by \$7.1 million and the business-type activities net position increased by \$1.0 million.
- The Village's combined Governmental Funds ending fund balance decreased by \$10.1 million.
- At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$30,529,590 or 43.6% 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.

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.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds

The Governmental Major Fund presentation (see Pages 8-13) 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 18 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 14-17) 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 18-19). 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 20-81 of this report.

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 82-95 of this report. The combining and individual fund statements for the governmental, enterprise and internal service funds are presented on Pages 96-160 of this report, immediately following the required supplementary information.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 \$8.1 million from 2016, increasing from \$167.5 million to \$175.5 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 \$7.1 million from \$121.4 million to \$128.5 million. Table 1 reflects the condensed Statement of Net Position compared to FY2016. Table 2 focuses on the changes in net position of the governmental and business-type activities.

Table 1: Statement of Net Position as of December 31, 2017 (In Millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|-----------------|--------------------------|----------------|--------------------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Assets | | | | | | |
| Current & Other Assets | \$ 154.8 | \$ 160.3 | \$ 24.3 | \$ 23.3 | \$ 179.1 | \$ 183.6 |
| Capital Assets | 183.0 | 172.8 | 27.0 | 27.0 | 210.0 | 199.8 |
| Total Assets | 337.8 | 333.1 | 51.3 | 50.3 | 389.1 | 383.4 |
| Deferred Outflows of Resources | 10.0 | 14.2 | 0.9 | 1.4 | 10.9 | 15.6 |
| Liabilities | | | | | | |
| Current Liabilities | 16.8 | 15.3 | 1.1 | 1.1 | 17.9 | 16.4 |
| Long-Term Liabilities | 137.1 | 171.3 | 1.2 | 4.4 | 138.3 | 175.7 |
| Total Liabilities | 153.9 | 186.6 | 2.3 | 5.5 | 156.2 | 192.1 |
| Deferred Inflows of Resources | 65.5 | 39.4 | 2.9 | 0.1 | 68.4 | 39.5 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 149.1 | 142.1 | 27.0 | 27.0 | 176.1 | 169.1 |
| Restricted | 24.2 | 18.5 | 0.0 | 0.0 | 24.2 | 18.5 |
| Unrestricted | (44.8) | (39.2) | 20.0 | 19.1 | (24.8) | (20.1) |
| Total Net Position | \$ 128.5 | \$ 121.4 | \$ 47.0 | \$ 46.1 | \$ 175.5 | \$ 167.5 |

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.

(See independent auditor's report.)

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

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 \$8.1 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$7.1 million and the business-type activities net position increasing \$1.0 million. The governmental activities total assets and deferred outflow of resources increased by \$.6 million and the governmental activities total liabilities and deferred inflows of resources decreased by \$6.6 million.

The governmental activities total assets increase of \$4.7 million is due to a \$5.5 million decrease in current assets and a \$10.2 million increase in capital assets. The governmental activities current assets decrease of \$5.5 million is due primarily to the decrease in the cash position of the Public Building Fund to cover the costs associated with the construction of the new Police Station. The \$10.2 million increase in capital assets was from the increase in the governmental activity capital assets due to the additions of right-of-way dedications of \$.6 million from Easements, \$7.0 from construction in progress of the new police building, equipment and vehicles of \$2.4 million, along with increases of infrastructure from public improvements of \$5.2 million. These additions were offset by the Village's public buildings and vehicles annual depreciation which decreases capital assets.

Total governmental activity liabilities were \$32.7 million under the prior year. The decrease is due to several combined reductions. The net pension liabilities decreased 29.4 million due to the increased amount of net investment income received for the year. General obligation bonds payable decreased \$5.6 million. This was offset by an accounts payable increase of .8 million mainly due to the Public Building Fund and an increase in the remaining payables of \$1.6 million.

The Village's other post-employment benefits (OPEB) obligation increased by \$.7 million due to three new duty disabled retirees and roughly a 30% increase in the number of retirees under age 65. 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 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 biennial basis, the Village must hire an actuary to calculate the value of the explicit OPEB cost and implicit subsidy.

Deferred inflows of resources include the 2017 property tax levy and property tax increment monies from the Village's tax increment financing districts that were levied during the calendar year ending December 31, 2017, but are now reported as deferred inflows of resources which reflect unavailable revenue from property taxes. At the start of the year ending December 31, 2018, these property tax receipts will become available and will be classified as revenue at that time. The unamortized loss on refunding reflects the amount required to repay the old debt and the net carrying amount of the old debt.

The total assets of the business-type activities increased by \$1.0 million from \$50.3 million to \$51.3 million. This was mainly due to the increase from the investment in joint venture with the Northwest Water Commission.

Total liabilities of business-type activities decreased \$3.2 million mainly from a decrease in the IMRF net pension liability which was affected from the increased amount of net investment income received for the year.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Changes in Net Position

The Village's combined change in net position increased by \$5.1 million from a \$2.9 million increase to \$8.1 million increase in 2017. The Village's total revenue increased by \$3.2 million. The Village's cost of all programs decreased by \$1.9 million. The following table shows the condensed revenues and expenses of the Village's activities:

Table 2: Changes in Net Position for the Year Ended December 31 (In Millions)

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|------------------------------------|-------------------------|-----------------|--------------------------|----------------|--------------------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenue | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 12.8 | \$ 12.4 | \$ 20.9 | \$ 19.1 | \$ 33.7 | \$ 31.5 |
| Operating Grants | 2.6 | 2.5 | 0.0 | 0.0 | 2.6 | 2.5 |
| Capital Grants | 0.9 | 0.0 | 0.0 | 0.0 | 0.9 | 0.0 |
| General Revenues | | | | | | |
| Property Taxes & Replacement Taxes | 35.5 | 34.2 | 0.0 | 0.0 | 35.5 | 34.2 |
| Other Taxes | 38.7 | 40.3 | 0.2 | 0.1 | 38.9 | 40.4 |
| Other Revenue | 2.3 | 2.0 | 0.0 | 0.1 | 2.3 | 2.1 |
| Total Revenues | \$ 92.8 | \$ 91.4 | \$ 21.1 | \$ 19.3 | \$ 113.9 | \$ 110.7 |
| Expenses | | | | | | |
| Governmental Activities | | | | | | |
| General Government | 5.6 | 3.4 | 0.0 | 0.0 | 5.6 | 3.4 |
| Public Safety | 46.6 | 48.6 | 0.0 | 0.0 | 46.6 | 48.6 |
| Highways & Streets | 19.6 | 20.5 | 0.0 | 0.0 | 19.6 | 20.5 |
| Community Development | 8.0 | 7.1 | 0.0 | 0.0 | 8.0 | 7.1 |
| Health & Welfare | 4.0 | 3.1 | 0.0 | 0.0 | 4.0 | 3.1 |
| Interest | 1.9 | 2.1 | 0.0 | 0.0 | 1.9 | 2.1 |
| Business Type | | | | | | |
| Water & Sewer | 0.0 | 0.0 | 18.1 | 21.1 | 18.1 | 21.1 |
| Solid Waste Disposal | 0.0 | 0.0 | 1.3 | 1.1 | 1.3 | 1.1 |
| Arts, Ent. & Events | 0.0 | 0.0 | 0.8 | 0.8 | 0.8 | 0.8 |
| Total Expenses | \$ 85.7 | \$ 84.8 | \$ 20.2 | \$ 23.0 | \$ 105.9 | \$ 107.8 |
| Change in Net Position | 7.1 | 6.6 | 0.9 | (3.7) | 8.0 | 2.9 |
| Ending Net Position | \$ 128.5 | \$ 121.4 | \$ 47.0 | \$ 46.1 | \$ 175.5 | \$ 167.5 |

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.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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.

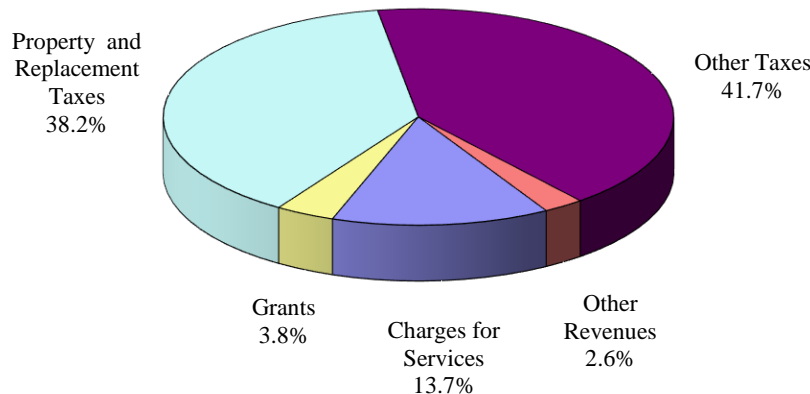
Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

Current Year Impacts

Governmental Activities

Revenues:

12/31/17 Governmental Activities
Revenues by Source



For the fiscal year ended December 31, 2017, revenues from Governmental Activities totaled \$92.8 million, which was \$1.4 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 \$35.0 million and representing 38.2% of total Government Activity revenue. This includes property tax increment revenue generated by the Village’s tax increment financing (TIF) districts, which brought in \$1.4 million during the calendar year. Property and replacement tax receipts increased about \$1.3 million compared to the prior calendar year. This is a result of an overall increase of tax receipts during the year for the General Fund.

(See independent auditor’s report.)

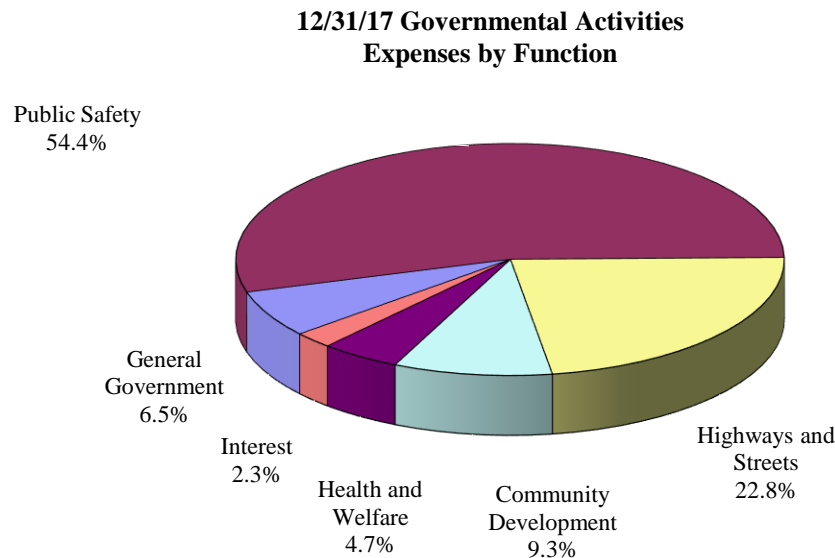
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Other taxes, including sales tax revenues combined with the telecommunications tax, food and beverage tax, use tax, home-rule sales tax, shared State income tax revenues, and other miscellaneous taxes total \$38.7 million representing 41.7% of the total Governmental Activity revenue. Village sales tax receipts decreased by about \$92,600. Income tax receipts came in lower than last year, decreasing by about \$412,700. Telecommunication tax receipts decreased by about \$.5 million or 17%. Electric and natural gas utility tax receipts decreased by about \$207,000.

Charges for Services came in at \$12.8 million or 13.7% 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 about \$351,000.

Grants increased by about \$1.0 million from the prior year. This increase is due primarily to revenue recognized in the Capital Projects Fund.

Expenses:



Expenses:

For the year ended December 31, 2017, expenses from Governmental Activities totaled \$85.7 million, an increase of .9 million or 1.0% over the prior year. This increase was due mainly to the changes in the capital items and depreciation expense that is included in the governmental activities Statement of Net Position.

Business-Type Activities

Revenues:

The total revenue for the business-type activities increased by \$1.8 million. Water and sewer rates increased 5% per the Village's five-year rate plan. The rate adjustment allows the Village to make necessary water main replacements to the water and sanitary sewer infrastructure. Solid waste disposal revenues increased \$.3 million over the prior year.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Expenses:

Expenses from business-type activities decreased by about \$2.8 million compared to the prior year. The main reason for the decrease was from the prior year one-time increase in the IMRF net pension liability expense of \$2.8 million attributable to the Water and Sewer fund. The prior year increase in the IMRF net pension liability expense was due to the GASB 68 guidance that requires governments to allocate the IMRF Net Pension Liability between the Governmental and Business Activities whereas previously the liability was recorded only to the governmental activities and not in business \activities.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At December 31, 2017 the Governmental Funds (as presented on Page 8-13) reported a combined fund balance of \$86,382,209, which is a 10.5% decrease from the beginning of the year balance of \$96,513,513. Of the total fund balance, \$29,005,220 is 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 \$24,378,960 include \$1,468,029 for debt service, \$9,582,986 for capital projects, \$2,530,569 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), \$2,345,911 for highways and streets (MFT Fund), and \$3,084,383 for community development (TIF Funds), and \$5,367,082 for the StormWater Control Fund reserves. 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 \$32,701,886 includes \$27,288,261 for Public Building, \$3,889,255 for public parking, and \$1,524,370 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 decreased by \$.7 million or 2.0% below December 31, 2016. Revenues came in over expenditures by \$1,038,464, prior to transfers.

Proprietary Funds

At December 31, 2017 the Proprietary Funds (as presented on Pages 14-17) total net position increased by \$955,324 or 2.0%. Accumulated depreciation increased by \$1.4 million and depreciable assets increased by \$1,372,964.

In the Water & Sewer Fund cash and investments decreased by \$451,300 due to planned expenses and capital outlay coming in higher than revenues. Solid Waste Disposal Fund cash and investments increased by \$303,600. In the Arts, Entertainment and Events Fund cash and investments increased \$17,400.

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 | \$ 73,116,900 | \$ 73,116,900 | \$ 70,996,109 |
| Expenditures | 73,371,700 | 73,900,087 | 69,957,645 |
| Excess of Revenues | | | |
| Over Expenditures | \$ (254,800) | \$ (783,187) | \$ 1,038,464 |
| Other Financing Sources (Uses) | 294,600 | (1,705,400) | (1,699,045) |
| Net Changes in Fund Balance | \$ 39,800 | \$ (2,488,587) | \$ (660,581) |

Over the course of the fiscal year, as shown on page 95 the Village amended the General Fund expenditure budget at various times for a total of \$528,387 or .7 % over the original budget. The expenditure budget amendments can be summarized as follows:

| | |
|-------------------|---|
| \$ 528,387 | Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year. |
| <u>\$ 528,387</u> | Total General Fund expenditure budget amendments. |

General Fund revenues ended the fiscal year \$2.1 million under the final budget. Sales, home rule sales, and State use tax receipts came in a combined \$886,100 under budget. Income tax receipts came in under the budget by 772,400. Food and Beverage Tax came in under budget by \$16,100. Cable Franchise fees outperformed the budget by \$75,300. Electric utility tax receipts came in \$197,200 under budget, along with natural gas utility tax receipts underperforming by \$159,100. Building permit revenue came in over budget by \$251,600. Telecommunications tax receipts came in under budget by \$613,300, but ambulance service charges came in over budget by \$32,200.

The year-end results for General Fund expenditures were positive as expenditures came in under budget by \$3,942,442. Of this amount salary and fringe expenditures for the Police and Fire Departments came in under budget by \$500,000 and \$217,000 respectively, due to normal and temporary workers' compensation related vacancies. There were also a number of vacancies in the Public Works, Planning, Building and Engineering Departments that resulted in wages and fringes coming in under budget in these departments by a combined \$525,400. Police and Fire Clothing came in under budget by a combined \$62,000. The Fire Department was also under budget in Other Equipment and supplies and small tools and equipment for a total of \$48,000. Engineering was under budget in Contractual Services mainly by coming in under budget \$60,000 in the Professional Services account. The Planning Department was under budget in Commodities and Other Charges by a combined \$84,000 due to decreased spending in Other Supplies, the Promote Economic Business Development and Discover Arlington accounts.

The Public Works Department was under budget in Contractual Services \$505,000 mainly due to Building Maintenance and Tree Services coming in under budget. Public Works was also under budget in Commodities by \$934,700 largely due to Street and Sidewalk Maintenance, Petroleum Products, and Other Equipment and Supplies coming in under budget.

The General Fund's total net change in fund balance decreased by \$660,581 as a result of revenues coming in over expenditures by \$1,038,464, net of other financing sources (uses) totaling (\$1,699,045).

(See independent auditor's report.)

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

CAPITAL ASSETS

At the end of FY2017, the Village had a combined total of \$210.05 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 41-42 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net increase (including additions and deletions) of \$10.27 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 | |
|--|------------------------------------|-----------------|-------------------------------------|----------------|-------------------------------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$12.43 | \$12.40 | \$3.12 | \$3.12 | \$15.55 | \$15.52 |
| Land Right-of-Way (ROW) | 80.00 | 79.40 | -- | -- | 80.00 | 79.40 |
| Construction in Progress | 7.00 | 0.00 | -- | -- | 7.00 | 0.00 |
| Building | 55.72 | 58.10 | 9.06 | 9.45 | 64.78 | 67.55 |
| Machinery & Equipment | 9.00 | 8.20 | 2.18 | 1.70 | 11.18 | 9.90 |
| Infrastructure (Streets) | 18.89 | 14.70 | -- | -- | 18.89 | 14.70 |
| Underground Systems (Water & Sewer) | -- | -- | 12.65 | 12.71 | 12.65 | 12.71 |
| Total Capital Assets, Net | \$183.04 | \$172.80 | \$27.01 | \$26.98 | \$210.05 | \$199.78 |

**Table 5: Change in Capital Assets
(In Millions)**

| | Governmental Activities | Busines-Type Activities | Total |
|--------------------------|------------------------------------|------------------------------------|-----------------|
| Beginning Balance | \$172.80 | \$26.98 | \$199.78 |
| Additions | | | |
| Depreciable | 7.60 | 1.37 | 8.97 |
| Non-Depreciable | 7.60 | - | 7.60 |
| CIP | - | - | - |
| Retirements | | | |
| Depreciable | (0.73) | - | (0.73) |
| Non-Depreciable | - | - | - |
| CIP | - | - | - |
| Depreciation | (4.95) | (1.35) | (6.30) |
| Retirement | 0.72 | - | 0.72 |
| Ending Balance | \$183.04 | \$27.00 | \$210.07 |

The governmental activities net capital assets increased by \$10.2 million or 6% due to the right-of-way additions of \$.6 million, construction in progress of \$6.9 million and equipment and vehicles of \$2.4 million, and infrastructure of \$5.2million. These additions are netted against depreciation expense of \$4.9 million. For business-type activities, the capital assets net of depreciation increased by \$.2 million or .1% due primarily to depreciation on existing assets.

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

DEBT OUTSTANDING

As of December 31, 2017 total General Obligation Bonds outstanding for governmental activities amounted to \$58.8 million. Of this amount, \$53.3 million for reconstruction of public buildings, \$1.3 million for the NWCDS building, \$3.7 million is for road improvements, and \$.5 million is for other miscellaneous purposes. 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 December 2015 citing the Village's well-managed financial operations and that the village has continued to fully fund the Police and Fire pension plans. Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements on Pages 44-47.

ECONOMIC FACTORS AND NEXT YEAR'S 2017 BUDGET

This year ended positively as the Village's General Fund ended with a surplus. This operating fund pays for most Village services, except for water and sewer expenses. The financial condition of the General Fund has improved over the last five 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.

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, and 33 S. Arlington Heights Road, Arlington Heights, IL 60005.

(See independent auditor's report.)

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Net Position

December 31, 2017

| | Governmental Activities | Business- Type Activities | Totals | Component Unit Arlington Heights Memorial Library |
|--|----------------------------|---------------------------------|----------------|---|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 105,569,601 | \$ 5,339,931 | \$ 110,909,532 | \$ 13,483,113 |
| Receivables - Net of Allowances | | | | |
| Property Taxes | 36,879,948 | - | 36,879,948 | 14,108,076 |
| Other Taxes | 6,461,444 | - | 6,461,444 | - |
| Accounts | - | 2,519,908 | 2,519,908 | 127,090 |
| Accrued Interest | 71,707 | 4,194 | 75,901 | 9,047 |
| Other | 4,232,205 | 146,200 | 4,378,405 | - |
| Prepays/Inventories | 1,595,020 | 684,958 | 2,279,978 | 374,045 |
| Total Current Assets | 154,809,925 | 8,695,191 | 163,505,116 | 28,101,371 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Nondepreciable | 99,425,510 | 3,124,150 | 102,549,660 | 212,378 |
| Depreciable | 189,064,346 | 103,613,568 | 292,677,914 | 20,113,697 |
| Accumulated Depreciation | (105,450,053) | (79,730,029) | (185,180,082) | (11,913,465) |
| | 183,039,803 | 27,007,689 | 210,047,492 | 8,412,610 |
| Other Assets | | | | |
| Invested in Joint Venture | - | 15,647,720 | 15,647,720 | - |
| Total Noncurrent Assets | 183,039,803 | 42,655,409 | 225,695,212 | 8,412,610 |
| Total Assets | 337,849,728 | 51,350,600 | 389,200,328 | 36,513,981 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 3,104,007 | 887,786 | 3,991,793 | 1,369,239 |
| Deferred Items - Police Pension | 3,273,245 | - | 3,273,245 | - |
| Deferred Items - Firefighters' Pension | 2,838,671 | - | 2,838,671 | - |
| Unamortized Loss on Refunding | 827,258 | - | 827,258 | - |
| Total Deferred Outflows of Resources | 10,043,181 | 887,786 | 10,930,967 | 1,369,239 |
| Total Assets and Deferred Outflows of Resources | 347,892,909 | 52,238,386 | 400,131,295 | 37,883,220 |

The notes to the financial statements are an integral part of this statement.

| | Governmental Activities | Business- Type Activities | Totals | Component Unit Arlington Heights Memorial Library |
|--|----------------------------|---------------------------------|----------------|---|
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 4,669,536 | \$ 989,078 | \$ 5,658,614 | \$ 430,149 |
| Accrued Payroll | 1,309,601 | 102,072 | 1,411,673 | 250,142 |
| Accrued Interest | 160,707 | - | 160,707 | - |
| Claims Payable | 2,583,132 | - | 2,583,132 | - |
| Other Payables | 2,171,963 | - | 2,171,963 | 6,019 |
| Current Portion of | | | | |
| Long-Term Liabilities | 5,950,560 | 47,407 | 5,997,967 | 56,943 |
| Total Current Liabilities | 16,845,499 | 1,138,557 | 17,984,056 | 743,253 |
| Noncurrent Liabilities | | | | |
| Compensated Absences Payable | 1,478,412 | 189,627 | 1,668,039 | 227,771 |
| Net Pension Liability - IMRF | 2,943,240 | 841,805 | 3,785,045 | 1,298,322 |
| Net Pension Liability - Police Pension | 32,374,827 | - | 32,374,827 | - |
| Net Pension Liability - Firefighters' Pension | 39,388,906 | - | 39,388,906 | - |
| Net Other Post-Employment | | | | |
| Benefits Obligation Payable | 5,572,769 | 159,005 | 5,731,774 | 110,225 |
| General Obligation | | | | |
| Bonds Payable - Net | 55,330,409 | - | 55,330,409 | - |
| Total Noncurrent Liabilities | 137,088,563 | 1,190,437 | 138,279,000 | 1,636,318 |
| Total Liabilities | 153,934,062 | 2,328,994 | 156,263,056 | 2,379,571 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 10,049,138 | 2,874,185 | 12,923,323 | 4,432,877 |
| Deferred Items - Police Pension | 9,267,877 | - | 9,267,877 | - |
| Deferred Items - Firefighters' Pension | 9,167,055 | - | 9,167,055 | - |
| Property Taxes | 36,879,948 | - | 36,879,948 | 14,108,076 |
| Grants | 93,875 | - | 93,875 | - |
| Total Deferred Inflows of Resources | 65,457,893 | 2,874,185 | 68,332,078 | 18,540,953 |
| Total Liabilities and Deferred Inflows of Resources | 219,391,955 | 5,203,179 | 224,595,134 | 20,920,524 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 149,053,177 | 27,007,689 | 176,060,866 | 8,412,610 |
| Restricted - Debt Service | 1,307,322 | - | 1,307,322 | - |
| Restricted - Capital Projects | 9,582,986 | - | 9,582,986 | - |
| Restricted - Motor Fuel Taxes | 2,345,911 | - | 2,345,911 | - |
| Restricted - Foreign Fire Insurance | 428,541 | - | 428,541 | - |
| Restricted - Criminal Investigation | 2,102,028 | - | 2,102,028 | - |
| Restricted - Tax Increment Financing | 3,084,383 | - | 3,084,383 | - |
| Restricted - Stormwater Control | 5,367,082 | - | 5,367,082 | - |
| Restricted - Social Security | - | - | - | 354,098 |
| Restricted - Culture, Recreation and Education | - | - | - | 8,195,988 |
| Unrestricted (Deficit) | (44,770,476) | 20,027,518 | (24,742,958) | - |
| Total Net Position | \$ 128,500,954 | \$ 47,035,207 | \$ 175,536,161 | \$ 16,962,696 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2017

| | Expenses | Program Revenues | | |
|------------------------------------|----------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 5,608,590 | \$ 4,356,699 | \$ 23,000 | \$ - |
| Public Safety | 46,568,027 | 2,963,757 | 466,439 | - |
| Highways and Streets | 19,554,637 | 3,885,739 | 1,915,570 | 875,699 |
| Health and Welfare | 4,031,072 | 21,214 | - | - |
| Community Development | 8,003,031 | 1,575,254 | 200,106 | - |
| Interest on Long-Term Debt | 1,971,409 | - | - | - |
| Total Governmental Activities | 85,736,766 | 12,802,663 | 2,605,115 | 875,699 |
| Business-Type Activities | | | | |
| Water and Sewer | 18,016,038 | 18,858,921 | - | - |
| Solid Waste Disposal | 1,283,229 | 1,946,842 | - | - |
| Arts, Entertainment and Events | 876,108 | 126,166 | - | - |
| Total Business-Type Activities | 20,175,375 | 20,931,929 | - | - |
| Total Primary Government | \$ 105,912,141 | \$ 33,734,592 | \$ 2,605,115 | \$ 875,699 |
| Component Unit | | | | |
| Arlington Heights Memorial Library | \$ 14,766,127 | \$ 202,878 | \$ 182,987 | \$ - |

General Revenues

Taxes

Property

Utility

Home Rule Sales

Food and Beverage

Hotel/Motel

Telecommunications

Foreign Fire Insurance

Other

Intergovernmental - Unrestricted

State Sales and Use

Replacement Taxes

Shared Income Tax

Interest

Miscellaneous

Transfers - Internal Balances

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

| Net (Expense)/Revenue | | | |
|-----------------------|------------|----------------|-------------------|
| Primary Government | | | Component |
| Governmental | Business- | | Unit |
| Activities | Type | Totals | Arlington Heights |
| | Activities | | Memorial |
| | | | Library |
| \$ (1,228,891) | \$ - | \$ (1,228,891) | \$ - |
| (43,137,831) | - | (43,137,831) | - |
| (12,877,629) | - | (12,877,629) | - |
| (4,009,858) | - | (4,009,858) | - |
| (6,227,671) | - | (6,227,671) | - |
| (1,971,409) | - | (1,971,409) | - |
| (69,453,289) | - | (69,453,289) | - |
| - | 842,883 | 842,883 | - |
| - | 663,613 | 663,613 | - |
| - | (749,942) | (749,942) | - |
| - | 756,554 | 756,554 | - |
| (69,453,289) | 756,554 | (68,696,735) | - |
| - | - | - | (14,380,262) |

| | | | |
|----------------|---------------|----------------|---------------|
| 35,031,674 | - | 35,031,674 | 13,744,488 |
| 4,988,209 | - | 4,988,209 | - |
| 6,667,772 | - | 6,667,772 | - |
| 1,970,860 | 656,954 | 2,627,814 | - |
| 1,043,795 | - | 1,043,795 | - |
| 2,586,731 | - | 2,586,731 | - |
| 131,628 | - | 131,628 | - |
| 297,053 | - | 297,053 | - |
| 14,092,348 | - | 14,092,348 | - |
| 464,689 | - | 464,689 | - |
| 6,897,965 | - | 6,897,965 | - |
| 828,070 | 41,816 | 869,886 | 147,766 |
| 1,057,718 | - | 1,057,718 | 21,297 |
| 500,000 | (500,000) | - | - |
| 76,558,512 | 198,770 | 76,757,282 | 13,913,551 |
| 7,105,223 | 955,324 | 8,060,547 | (466,711) |
| 121,395,731 | 46,079,883 | 167,475,614 | 17,429,407 |
| \$ 128,500,954 | \$ 47,035,207 | \$ 175,536,161 | \$ 16,962,696 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2017**

| | <u>General</u> |
|--|-----------------------------|
| ASSETS | |
| Cash and Investments | \$ 25,991,397 |
| Receivables - Net of Allowances | |
| Property Taxes | 23,819,840 |
| Other Taxes | 5,855,195 |
| Accrued Interest | 18,794 |
| Other | 1,208,532 |
| Due from Other Funds | 120,001 |
| Prepays/Inventories | <u>117,663</u> |
| Total Assets | <u><u>\$ 57,131,422</u></u> |
| LIABILITIES | |
| Accounts Payable | \$ 1,328,263 |
| Accrued Payroll | 1,253,523 |
| Due to Other Funds | 78,344 |
| Other Payables | 4,199 |
| Total Liabilities | <u>2,664,329</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Property Taxes | 23,819,840 |
| Grants | - |
| Total Deferred Inflows of Resources | <u>23,819,840</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>26,484,169</u> |
| FUND BALANCES | |
| Nonspendable | 117,663 |
| Restricted | - |
| Assigned | 1,524,370 |
| Unassigned | <u>29,005,220</u> |
| Total Fund Balances | <u>30,647,253</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u><u>\$ 57,131,422</u></u> |

The notes to the financial statements are an integral part of this statement.

| Debt Service | Capital Projects | | Nonmajor | Totals |
|-----------------|---------------------|--------------------|---------------|----------------|
| | Capital Projects | Public Building | | |
| \$ 1,442,496 | \$ 9,406,711 | \$ 28,824,674 | \$ 17,416,106 | \$ 83,081,384 |
| 6,951,628 | 5,353,000 | - | 755,480 | 36,879,948 |
| - | 421,322 | - | 184,927 | 6,461,444 |
| 475 | 5,920 | 24,388 | 7,845 | 57,422 |
| 25,058 | 453,424 | 5,434 | 2,453,163 | 4,145,611 |
| - | - | - | - | 120,001 |
| - | 139,678 | - | 38,802 | 296,143 |
| \$ 8,419,657 | \$ 15,780,055 | \$ 28,854,496 | \$ 20,856,323 | \$ 131,041,953 |
| \$ - | \$ 704,063 | \$ 1,566,235 | \$ 453,771 | \$ 4,052,332 |
| - | 328 | - | 9,430 | 1,263,281 |
| - | - | - | 120,001 | 198,345 |
| - | - | - | 2,167,764 | 2,171,963 |
| - | 704,391 | 1,566,235 | 2,750,966 | 7,685,921 |
| 6,951,628 | 5,353,000 | - | 755,480 | 36,879,948 |
| - | - | - | 93,875 | 93,875 |
| 6,951,628 | 5,353,000 | - | 849,355 | 36,973,823 |
| 6,951,628 | 6,057,391 | 1,566,235 | 3,600,321 | 44,659,744 |
| - | 139,678 | - | 38,802 | 296,143 |
| 1,468,029 | 9,582,986 | - | 13,327,945 | 24,378,960 |
| - | - | 27,288,261 | 3,889,255 | 32,701,886 |
| - | - | - | - | 29,005,220 |
| 1,468,029 | 9,722,664 | 27,288,261 | 17,256,002 | 86,382,209 |
| \$ 8,419,657 | \$ 15,780,055 | \$ 28,854,496 | \$ 20,856,323 | \$ 131,041,953 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Reconciliation of Total Governmental Fund Balance to Net Position - Governmental Activities

December 31, 2017

| | |
|---|----------------------|
| Total Governmental Fund Balances | \$ 86,382,209 |
|---|----------------------|

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds.

| | |
|------------------------------|-------------|
| Governmental Activities | 183,039,803 |
| Less: Internal Service Funds | (8,523,911) |

Internal Service Funds are used by the Village to charge the costs of vehicle and
equipment management and employee compensated absences to individual funds.
The assets and liabilities of the internal service funds are included in
the governmental activities in the Statement of Net Position.

28,861,069

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | |
|--|-------------|
| Deferred Items - IMRF | (6,945,131) |
| Deferred Items - Police Pension | (5,994,632) |
| Deferred Items - Firefighters' Pension | (6,328,384) |

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

| | |
|---|--------------|
| Compensated Absences Payable | (1,703,636) |
| Net Pension Liability - IMRF | (2,943,240) |
| Net Pension Liability - Police Pension | (32,374,827) |
| Net Pension Liability - Firefighters' Pension | (39,388,906) |
| Net Other Post-Employment Benefit Obligation | (5,334,645) |
| General Obligation Bonds Payable | (58,775,000) |
| Unamortized Bond Premium | (2,136,366) |
| Unamortized Loss on Refunding | 827,258 |
| Accrued Interest Payable | (160,707) |

| | |
|--|------------------------------|
| Net Position of Governmental Activities | <u>\$ 128,500,954</u> |
|--|------------------------------|

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2017**

See Following Page

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended December 31, 2017

| | <u>General</u> |
|--|----------------------|
| Revenues | |
| Taxes | \$ 37,628,149 |
| Intergovernmental | 21,623,948 |
| Charges for Services | 4,228,338 |
| Licenses, Permits and Fees | 6,211,862 |
| Fines and Forfeitures | 567,975 |
| Interest | 211,148 |
| Miscellaneous | 524,689 |
| Total Revenues | <u>70,996,109</u> |
| Expenditures | |
| Current | |
| General Government | 4,471,299 |
| Public Safety | 45,999,575 |
| Highways and Streets | 11,319,195 |
| Health and Welfare | 2,114,843 |
| Community Development | 6,052,733 |
| Capital Outlay | - |
| Debt Service | |
| Principal Retirement | - |
| Interest and Fiscal Charges | - |
| Total Expenditures | <u>69,957,645</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,038,464</u> |
| Other Financing Sources (Uses) | |
| Transfers In | 300,955 |
| Transfers Out | (2,000,000) |
| | <u>(1,699,045)</u> |
| Net Change in Fund Balances | (660,581) |
| Fund Balances - Beginning | <u>31,307,834</u> |
| Fund Balances - Ending | <u>\$ 30,647,253</u> |

The notes to the financial statements are an integral part of this statement.

| Debt Service | Capital Projects | | Nonmajor | Totals |
|-----------------|---------------------|--------------------|---------------|---------------|
| | Capital Projects | Public Building | | |
| \$ 6,764,890 | \$ 6,837,324 | \$ - | \$ 1,355,731 | \$ 52,586,094 |
| - | 816,499 | - | 2,567,797 | 25,008,244 |
| - | - | - | 1,681,509 | 5,909,847 |
| - | - | - | - | 6,211,862 |
| - | - | - | 96,060 | 664,035 |
| 26,970 | 65,192 | 256,242 | 129,552 | 689,104 |
| 281,550 | 121,009 | - | 147,389 | 1,074,637 |
| 7,073,410 | 7,840,024 | 256,242 | 5,978,038 | 92,143,823 |
| - | - | - | - | 4,471,299 |
| - | - | - | 399,214 | 46,398,789 |
| - | - | - | 1,304,507 | 12,623,702 |
| - | - | - | 165,929 | 2,280,772 |
| - | - | - | 1,922,163 | 7,974,896 |
| - | 7,479,922 | 8,037,497 | 4,418,532 | 19,935,951 |
| 4,995,000 | - | - | - | 4,995,000 |
| 2,094,718 | - | - | - | 2,094,718 |
| 7,089,718 | 7,479,922 | 8,037,497 | 8,210,345 | 100,775,127 |
| (16,308) | 360,102 | (7,781,255) | (2,232,307) | (8,631,304) |
| - | 2,997,417 | - | 3,600,000 | 6,898,372 |
| - | - | (750,000) | (5,648,372) | (8,398,372) |
| - | 2,997,417 | (750,000) | (2,048,372) | (1,500,000) |
| (16,308) | 3,357,519 | (8,531,255) | (4,280,679) | (10,131,304) |
| 1,484,337 | 6,365,145 | 35,819,516 | 21,536,681 | 96,513,513 |
| \$ 1,468,029 | \$ 9,722,664 | \$ 27,288,261 | \$ 17,256,002 | \$ 86,382,209 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Activities

For the Fiscal Year Ended December 31, 2017

| | |
|---|------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ (10,131,304) |
|---|------------------------|

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

| | |
|----------------------|-------------|
| Capital Outlays | 13,120,280 |
| Depreciation Expense | (3,569,627) |

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

| | |
|--|--------------|
| Change in Deferred Items - IMRF | (11,230,333) |
| Change in Deferred Items - Police Pension | (8,602,658) |
| Change in Deferred Items - Firefighters' Pension | (8,855,238) |

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

| | |
|--|------------|
| (Increase) to Compensated Absences Payable | (67,583) |
| Decrease to Net Pension Liability - IMRF | 10,943,351 |
| Decrease to Net Pension Liability - Police | 9,202,871 |
| Decrease to Net Pension Liability - Firefighters' | 9,241,239 |
| Additions to Net Other Post-Employment Benefit Obligations | (629,812) |
| Amortization of Bond Premium | 348,004 |
| Amortization of Refunding Loss | (238,196) |
| Retirement of General Obligation Bonds Payable | 4,995,000 |

Changes to accrued interest on long-term debt in the Statement of Activities
do not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

13,501

Internal service funds are used by the Village to charge the costs of vehicle and equipment
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities.

2,565,728

| | |
|---|----------------------------|
| Changes in Net Position of Governmental Activities | \$ <u>7,105,223</u> |
|---|----------------------------|

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Net Position - Proprietary Funds

December 31, 2017

See Following Page

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Net Position - Proprietary Funds December 31, 2017

| | Business-Type Activities - Enterprise | | | Governmental Activities |
|--|---------------------------------------|--------------|--------------|----------------------------|
| | Water and Sewer | Nonmajor | Totals | Internal Service |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Investments | \$ 1,113,348 | \$ 4,226,583 | \$ 5,339,931 | \$ 22,488,217 |
| Receivables - Net of Allowances | | | | |
| Accounts - Customer | 2,519,908 | - | 2,519,908 | - |
| Accrued Interest | 1,269 | 2,925 | 4,194 | 14,285 |
| Other | 14,170 | 132,030 | 146,200 | 86,594 |
| Prepays | 7,600 | 90,264 | 97,864 | - |
| Inventories | 587,094 | - | 587,094 | 1,298,877 |
| Total Current Assets | 4,243,389 | 4,451,802 | 8,695,191 | 23,887,973 |
| Noncurrent Assets | | | | |
| Capital Assets | | | | |
| Nondepreciable | 2,648,950 | 475,200 | 3,124,150 | - |
| Depreciable | 101,032,822 | 2,580,746 | 103,613,568 | 20,619,883 |
| Accumulated Depreciation | (78,684,423) | (1,045,606) | (79,730,029) | (12,095,972) |
| | 24,997,349 | 2,010,340 | 27,007,689 | 8,523,911 |
| Other Assets | | | | |
| Investment in Joint Venture | 15,647,720 | - | 15,647,720 | - |
| Total Noncurrent Assets | 40,645,069 | 2,010,340 | 42,655,409 | 8,523,911 |
| Total Assets | 44,888,458 | 6,462,142 | 51,350,600 | 32,411,884 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 887,786 | - | 887,786 | - |
| Total Assets and Deferred Outflows of Resources | 45,776,244 | 6,462,142 | 52,238,386 | 32,411,884 |

The notes to the financial statements are an integral part of this statement.

| | Business-Type Activities - Enterprise | | | Governmental Activities |
|--|---------------------------------------|--------------|---------------|----------------------------|
| | Water and Sewer | Nonmajor | Totals | Internal Service |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts Payable | \$ 812,164 | \$ 176,914 | \$ 989,078 | \$ 538,860 |
| Accrued Payroll | 102,072 | - | 102,072 | 46,320 |
| Claims Payable | - | - | - | 2,583,132 |
| Compensated Absences Payable | 47,407 | - | 47,407 | 28,876 |
| Total Current Liabilities | 961,643 | 176,914 | 1,138,557 | 3,197,188 |
| Noncurrent Liabilities | | | | |
| Compensated Absences Payable | 189,627 | - | 189,627 | 115,503 |
| Net Pension Liability - IMRF | 841,805 | - | 841,805 | - |
| Net Other Post-Employment Benefits Obligation Payable | 159,005 | - | 159,005 | 238,124 |
| Total Noncurrent Liabilities | 1,190,437 | - | 1,190,437 | 353,627 |
| Total Liabilities | 2,152,080 | 176,914 | 2,328,994 | 3,550,815 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Items - IMRF | 2,874,185 | - | 2,874,185 | - |
| Total Liabilities and Deferred Inflows of Resources | 5,026,265 | 176,914 | 5,203,179 | 3,550,815 |
| NET POSITION | | | | |
| Investment in Capital Assets | 24,997,349 | 2,010,340 | 27,007,689 | 8,523,911 |
| Unrestricted | 15,752,630 | 4,274,888 | 20,027,518 | 20,337,158 |
| Total Net Position | \$ 40,749,979 | \$ 6,285,228 | \$ 47,035,207 | \$ 28,861,069 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended December 31, 2017

| | Business-Type Activities - Enterprise | | | Governmental Activities |
|----------------------------------|---------------------------------------|--------------|---------------|----------------------------|
| | Water and Sewer | Nonmajor | Totals | Internal Service |
| Operating Revenues | | | | |
| Charges for Services | \$ 18,740,738 | \$ 2,073,008 | \$ 20,813,746 | \$ 19,716,213 |
| Fines | - | - | - | 54,677 |
| Workman's Comp Reimbursements | - | - | - | 85,512 |
| Miscellaneous | 118,183 | - | 118,183 | 1,623,059 |
| Total Operating Revenues | 18,858,921 | 2,073,008 | 20,931,929 | 21,479,461 |
| Operating Expenses | | | | |
| Operations | 16,731,944 | 2,011,067 | 18,743,011 | 19,769,797 |
| Depreciation | 1,284,094 | 68,019 | 1,352,113 | 1,382,270 |
| Total Operating Expenses | 18,016,038 | 2,079,086 | 20,095,124 | 21,152,067 |
| Operating Income (Loss) | 842,883 | (6,078) | 836,805 | 327,394 |
| Nonoperating Revenues (Expenses) | | | | |
| Food and Beverage Tax | - | 656,954 | 656,954 | - |
| Interest Income | 8,931 | 32,885 | 41,816 | 138,966 |
| Grant Income | - | - | - | 59,200 |
| Other Income | - | - | - | 40,168 |
| Other Expenses | - | (80,251) | (80,251) | - |
| | 8,931 | 609,588 | 618,519 | 238,334 |
| Income (Loss) Before Transfers | 851,814 | 603,510 | 1,455,324 | 565,728 |
| Transfers In | - | - | - | 2,536,418 |
| Transfers Out | - | (500,000) | (500,000) | (536,418) |
| Change in Net Position | 851,814 | 103,510 | 955,324 | 2,565,728 |
| Net Position - Beginning | 39,898,165 | 6,181,718 | 46,079,883 | 26,295,341 |
| Net Position - Ending | \$ 40,749,979 | \$ 6,285,228 | \$ 47,035,207 | \$ 28,861,069 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended December 31, 2017

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|--------------|---------------|----------------------------|
| | Water and Sewer | Nonmajor | Totals | Internal Service |
| Cash Flows from Operating Activities | | | | |
| Receipts from Customers and Users | \$ 18,858,921 | \$ 2,073,008 | \$ 20,931,929 | \$ - |
| Interfund Services Provided | - | - | - | 21,479,461 |
| Payments to Suppliers | (11,837,442) | (1,739,000) | (13,576,442) | (18,524,142) |
| Payments to Employees | (6,108,788) | (157,485) | (6,266,273) | (2,508,646) |
| | 912,691 | 176,523 | 1,089,214 | 446,673 |
| Cash Flow from Noncapital Financing Activities | | | | |
| Food and Beverage Tax | - | 656,954 | 656,954 | - |
| Other Expense | - | (80,251) | (80,251) | - |
| Transfers In | - | - | - | 2,536,418 |
| Transfers Out | - | (500,000) | (500,000) | (536,418) |
| | - | 76,703 | 76,703 | 2,000,000 |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Disposal of Capital Assets | - | - | - | 4,306 |
| Purchase of Capital Assets | (1,372,964) | - | (1,372,964) | (2,081,057) |
| | (1,372,964) | - | (1,372,964) | (2,076,751) |
| Cash Flows from Investing Activities | | | | |
| Interest Received | 8,931 | 32,885 | 41,816 | 138,966 |
| Net Change in Cash and Cash Equivalents | (451,342) | 286,111 | (165,231) | 508,888 |
| Cash and Cash Equivalents - Beginning | 1,564,690 | 3,940,472 | 5,505,162 | 21,979,329 |
| Cash and Cash Equivalents - Ending | \$ 1,113,348 | \$ 4,226,583 | \$ 5,339,931 | \$ 22,488,217 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating Income (Loss) | \$ 842,883 | \$ (6,078) | \$ 836,805 | \$ 327,394 |
| Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities: | | | | |
| Depreciation | 1,284,094 | 68,019 | 1,352,113 | 1,382,270 |
| Other Income | 40,930 | - | 40,930 | 99,368 |
| (Increase) Decrease in Current Assets | (1,165,502) | (54,178) | (1,219,680) | (1,220,557) |
| Increase (Decrease) in Current Liabilities | (89,714) | 168,760 | 79,046 | (141,802) |
| Net Cash Provided by Operating Activities | \$ 912,691 | \$ 176,523 | \$ 1,089,214 | \$ 446,673 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Fiduciary Net Position December 31, 2017

| | Pension Trust | Agency |
|---------------------------------------|------------------|--------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 8,761,889 | \$ 2,442,039 |
| Investments | | |
| U.S. Treasury Obligations | 18,411,521 | - |
| U.S. Agency Obligations | 10,663,034 | - |
| U.S. Property Real Estate | 13,320,165 | - |
| Corporate and Foreign Corporate Bonds | 45,501,523 | - |
| Municipal Bonds | 610,074 | - |
| Common Stock | 49,454,382 | - |
| Mutual Funds | 93,006,774 | - |
| Receivables - Net of Allowances | | |
| Accounts | - | 6,734 |
| Accrued Interest | 476,265 | 491 |
| Other | 673 | - |
| Due from Other Funds | 78,344 | - |
| Total Assets | 240,284,644 | \$ 2,449,264 |
| LIABILITIES | | |
| Accounts Payable | - | 22,650 |
| Deposits Payable | - | 2,426,597 |
| Other Payables | 12,696 | 17 |
| Total Liabilities | 12,696 | \$ 2,449,264 |
| NET POSITION | | |
| Net Position Restricted for Pensions | \$ 240,271,948 | |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2017

| | Pension Trust |
|--------------------------------------|-----------------------|
| Additions | |
| Contributions - Employer | \$ 8,883,000 |
| Contributions - Plan Members | 2,172,834 |
| Contributions - Other | <u>6,533</u> |
| Total Contributions | <u>11,062,367</u> |
| Investment Income | |
| Interest Earned | 4,402,194 |
| Net Change in Fair Value | <u>25,951,837</u> |
| | 30,354,031 |
| Less Investment Expenses | <u>(575,453)</u> |
| Net Investment Income | <u>29,778,578</u> |
| Total Additions | <u>40,840,945</u> |
| Deductions | |
| Administration | 70,559 |
| Benefits and Refunds | <u>13,159,673</u> |
| Total Deductions | <u>13,230,232</u> |
| Change in Fiduciary Net Position | 27,610,713 |
| Net Position Restricted for Pensions | |
| Beginning | <u>212,661,235</u> |
| Ending | <u>\$ 240,271,948</u> |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Arlington Heights, Illinois (Village) operates as a home rule community with a council-manager form of government that provides policy leadership by elected officials that work along with the administrative direction of the Village Manager. The Village Board members are elected at large on a non-partisan basis, and they serve as the community's decision-makers. The Village Board members are composed of eight trustees, and one Village President, who is also the Village Mayor.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

| | |
|--------------------------------------|------------------------------------|
| Primary Government: | Village of Arlington Heights |
| Discretely Presented Component Unit: | Arlington Heights Memorial Library |

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village.

Police Pension Employees Retirement System

The Village's sworn 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 elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining 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 the Village's contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's sworn full-time firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village's President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS 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 the Village's contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn full-time firefighters. The FPERS is reported as a pension trust fund.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

Arlington Heights Memorial Library

The Arlington Heights Memorial Library (Library) operates and maintains the public library within the Village. The Library is a public library operating in accordance with the Illinois Local Library Act, 75 ILCS 5/1-0.1 et seq. 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, as well as the potential financial burden relationship existing. Complete financial statements for the Library can be obtained from the Library's offices at 500 North Dunton Street, Arlington Heights, Illinois 60004.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's public safety, highway and street maintenance and reconstruction, community development, health and welfare, and general administrative services are classified as governmental activities. The Village's water and sewer, solid waste disposal, and arts, entertainment and events activities are classified as business-type activities.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, community development, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains twelve nonmajor special revenue funds.

Debt service fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the servicing of general long-term debt not being financed by proprietary funds.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains four capital projects funds. The Capital Projects Fund, a major fund, is used 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. The Public Building Fund, also a major fund, is used to account for the costs of planning, development and construction of a new Village hall and police department. Financing is provided by the \$20,000,000 General Obligation Bonds, Series 2006 and the \$32,900,000 General Obligation Bonds, Series 2016.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains three proprietary funds. The Water and Sewer Fund, a major fund, is used 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.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains six internal service funds. The Health and Life Insurance Fund is used to account for all costs associated with self-insurance risks for health and life insurance. The Retiree Health Insurance Fund is used to account for all costs associated with self-insurance risks for health insurance for retirees. The General Liability Insurance Fund is used to account for all costs associated with self-insurance risks for general liability and property loss. The Workers' Compensation Fund is used to account for all costs associated with self-insurance risks for general liability and property loss. The Fleet Operations Fund is used to account for all costs associated with maintaining and servicing the vehicles and equipment operated by the various departments within the Village. The Technology Fund is used to account for all costs associated with providing technology services to all departments for the operations of the Village.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

Agency funds are used to account for assets held by the Village in a purely custodial capacity. The Village maintains three agency funds. The Guaranty Deposit Fund is used 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. The Escrow Deposit Fund is used 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. The Special Assessments Collection Fund is used 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.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary, pension trust, and agency fund equity is classified as net position. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets are the same as those used for the general capital assets.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|-----------------------------------|---------------|
| Buildings and Improvements | 10 - 40 Years |
| Machinery, Equipment and Vehicles | 3 - 20 Years |
| Infrastructure | 40 Years |
| Underground Systems | 40 Years |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

Deferred Outflows/Inflows of Resources

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

At the first Committee-of-the-Whole (the Committee) meeting in November, the Village Manager submits to the Committee his proposed operating budget for the fiscal year commencing the following January 1. It is for the period January through December 31 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 November and December to obtain citizen comments on the Village Manager’s proposed budget (May for community Development Block Grant funds).

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

Prior to January 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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

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. There was no budget adopted for the TIF Tax Reserve special revenue funds.

EXCESS OF ACTUAL EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenses over budget as of the date of this report:

| Fund | Excess |
|-----------------------|-----------|
| Emerald Ash Borer | \$ 10,872 |
| Workers' Compensation | 929 |

NOTE 3 – DETAIL NOTES ON ALL FUNDS

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 type'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. The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiles Statutes.

Permitted Deposits and Investments – Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$12,205,608 and the bank balances totaled \$14,208,115.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The Village has the following investment fair values and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|----------------------|----------------------------------|-------------|-------------|--------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasury Obligations | \$ 63,276,212 | \$ 63,276,212 | \$ - | \$ - | \$ - |
| Commercial Paper | 3,700,875 | 3,700,875 | - | - | - |
| Illinois Funds | 1,168,807 | 1,168,807 | - | - | - |
| IMET | 30,558,030 | 30,558,030 | - | - | - |
| | <u>\$ 98,703,924</u> | <u>\$ 98,703,924</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The Village has the following recurring fair value measurements as of December 31, 2017:

| Investments by Fair Value Level | Total | Fair Value Measurements Using | | |
|---|----------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt Securities | | | | |
| U.S. Treasury Obligations | \$ 63,276,212 | \$ 63,276,212 | \$ - | \$ - |
| Investments Measured at the Net Asset Value (NAV) | | | | |
| Commercial Paper | 3,700,875 | | | |
| Illinois Funds | 1,168,807 | | | |
| IMET | 30,558,030 | | | |
| Total Investments Measured at NAV | <u>35,427,712</u> | | | |
| Total Investments Measured at Fair Value | <u>\$ 98,703,924</u> | | | |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with Village's 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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's policy limits its exposure to credit risk by limiting investments to the safest types of securities, prequalifying the financial institution, 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. The Village's investment in Illinois Funds is rated AAAM by Standard & Poor's, IMET 1-3 Year Fund is rated Aaa-bf by Moody's and the Commercial Paper is rated AAA by Moody's. The investment ratings for the U.S. Agency Obligations are not available and the investment in the IMET Convenience Fund is not rated.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a 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 market value of the funds secured, with the collateral witnessed by a written collateral agreement and held by an independent third party. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the 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 basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. 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 pool (LGIPS) or money market funds to ensure that proper liquidity is maintained in order to meet ongoing obligations. At year-end, the Village does not have any investments over 5 percent of the cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$6,791,625 and the bank balances totaled \$6,792,794.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The Fund has the following investment fair values and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------------------|----------------------|----------------------------------|----------------------|----------------------|---------------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasury Obligations | \$ 11,385,311 | \$ 3,190,965 | \$ 5,713,856 | \$ 2,480,490 | \$ - |
| U.S. Agency Obligations | 2,426,061 | 745,093 | 273,198 | 791,131 | 616,639 |
| Corporate and Foreign Corporate Bonds | 24,880,759 | 569,923 | 7,170,059 | 13,572,516 | 3,568,261 |
| Municipal Bonds | 159,390 | - | 159,390 | - | - |
| | <u>\$ 38,851,521</u> | <u>\$ 4,505,981</u> | <u>\$ 13,316,503</u> | <u>\$ 16,844,137</u> | <u>\$ 4,184,900</u> |

The Fund has the following recurring fair value measurements as of December 31, 2017:

| Investments by Fair Value Level | Total | Fair Value Measurements Using | | |
|--|-----------------------|--|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt Securities | | | | |
| U.S. Treasury Obligations | \$ 11,385,311 | \$ 11,385,311 | \$ - | \$ - |
| U.S. Agency Obligations | 2,426,061 | - | 2,426,061 | - |
| Corporate and Foreign Corporate Bonds | 24,880,759 | - | 24,880,759 | - |
| Municipal Bonds | 159,390 | - | 159,390 | - |
| Equity Securities | | | | |
| Common Stock | 43,950,908 | - | 43,950,908 | - |
| Mutual Funds | 40,579,638 | - | 40,579,638 | - |
| Total Investments Measured at Fair Value | <u>\$ 123,382,067</u> | <u>\$ 11,385,311</u> | <u>\$ 111,996,756</u> | <u>\$ -</u> |

Credit Risk. The Fund's investment policy limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated Baa or better by national rating agency. The U.S. Agency obligations were rated AA+ by S&P. The corporate bonds and foreign corporate bonds, and municipal bonds were rate AA+-BBB by S&P.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Interest Rate Risk. The Fund's investment policy states that the investment portfolio will limit 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.

Custodial Credit Risk. The 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 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, the Fund limits its exposure by requiring all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts. At year-end, the Fund's investments in U.S. Government Agencies are all insured or registered with the Fund or its agent in the Fund's name.

Concentration Risk. The 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%. In addition to the securities and fair values listed above, the Fund also has \$40,579,638 invested in mutual funds and \$43,950,908 invested in common stock. At year-end, the Fund does not have any investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments). This is in compliance with the Fund's investment policy.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|----------------|--|
| Fixed Income | 33.00% | 3.00% - 5.25% |
| Domestic Equities | 5.00% - 52.00% | 5.50% - 5.75% |
| International Equities | 5.00% | 6.25% |
| Real Estate | 3.00% | 6.25% |
| Cash and Cash Equivalents | 0.00% | 2.00% |

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk – Continued. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017, are listed in the table above.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,970,264 and the bank balances totaled \$1,970,264.

Investments. The Fund has the following investment fair values and maturities:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------------------|----------------------|----------------------------------|----------------------|----------------------|---------------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More Than 10 |
| U.S. Treasury Obligations | \$ 7,026,210 | \$ 771,970 | \$ 1,299,857 | \$ 4,954,383 | \$ - |
| U.S. Agency Obligations | 8,236,973 | 655,760 | 2,036,175 | 2,436,246 | 3,108,792 |
| U.S. Property Real Estate | 13,320,165 | 13,320,165 | - | - | - |
| Corporate and Foreign Corporate Bonds | 20,620,764 | 759,269 | 14,172,034 | 5,689,461 | - |
| Municipal Obligations | 450,684 | - | 236,732 | 213,952 | - |
| | <u>\$ 49,654,796</u> | <u>\$ 15,507,164</u> | <u>\$ 17,744,798</u> | <u>\$ 13,294,042</u> | <u>\$ 3,108,792</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

The Fund has the following recurring fair value measurements as of December 31, 2017:

| Investments by Fair Value Level | Total | Fair Value Measurements Using | | |
|---------------------------------------|----------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Debt Securities | | | | |
| U.S. Treasury Obligations | \$ 7,026,210 | \$ 7,026,210 | \$ - | \$ - |
| U.S. Agency Obligations | 8,236,973 | - | 8,236,973 | - |
| U.S. Property Real Estate | 13,320,165 | - | 13,320,165 | - |
| Corporate and Foreign Corporate Bonds | 20,620,764 | - | 20,620,764 | - |
| Municipal Bonds | 450,684 | - | 450,684 | - |
| Equity Securities | | | | |
| Common Stock | 5,503,474 | 5,503,474 | - | - |
| Mutual Funds | 52,427,136 | 52,427,136 | - | - |
| Total Investments by Fair Value Level | \$ 107,585,406 | \$ 64,956,820 | \$ 42,628,586 | \$ - |

Interest Rate Risk. The Fund's investment policy states that the investment portfolio will limit 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. The Fund's investment policy limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated Baa or better by national rating agency. The U.S. Agency obligations were rated AAA by Moody's. The corporate bonds, the foreign corporate bonds, and municipal obligations were rate AAA-BAA3 by Moody's. The U.S. Property Real Estate was not rated.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk. The 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 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, to limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts.

Concentration Risk. The 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%. In addition to the securities and fair values listed above, the Fund also has \$5,503,474 invested in common stock and \$52,427,136 invested in mutual funds. At December 31, 2017, the Fund's investment in U.S. Property Real Estate of \$13,320,165 exceeded 5% of the Fund's total investments. This is in compliance with the Fund's investment policy.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 35.00% | 4.40% |
| Domestic Equities | 30.00% | 7.90% |
| International Equities | 22.50% | 8.10% |
| Real Estate | 12.50% | 7.50% |
| Cash and Cash Equivalents | 0.00% | 2.70% |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2018 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table above.

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 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 Cook County and are payable in two installments, on or about March 1, and September 1. The County collects such taxes and remits them periodically.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|----------------------|-----------------|-----------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 12,434,920 | \$ - | \$ - | \$ 12,434,920 |
| Land Right of Way | 79,387,223 | 609,038 | - | 79,996,261 |
| Construction in Progress | - | 6,994,329 | - | 6,994,329 |
| | <u>91,822,143</u> | <u>7,603,367</u> | <u>-</u> | <u>99,425,510</u> |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 101,639,098 | - | - | 101,639,098 |
| Machinery, Equipment and Vehicles | 22,702,201 | 2,424,284 | 733,797 | 24,392,688 |
| Infrastructure | 57,858,874 | 5,173,686 | - | 63,032,560 |
| | <u>182,200,173</u> | <u>7,597,970</u> | <u>733,797</u> | <u>189,064,346</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 43,516,302 | 2,404,607 | - | 45,920,909 |
| Machinery, Equipment and Vehicles | 14,511,174 | 1,605,721 | 729,491 | 15,387,404 |
| Infrastructure | 43,200,171 | 941,569 | - | 44,141,740 |
| | <u>101,227,647</u> | <u>4,951,897</u> | <u>729,491</u> | <u>105,450,053</u> |
| Total Net Depreciable Capital Assets | <u>80,972,526</u> | <u>2,646,073</u> | <u>4,306</u> | <u>83,614,293</u> |
| Total Net Capital Assets | <u>\$ 172,794,669</u> | <u>\$ 10,249,440</u> | <u>\$ 4,306</u> | <u>\$ 183,039,803</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|-----------------------|---------------------|
| General Government | \$ 658,583 |
| Public Safety | 310,396 |
| Highways and Streets | 2,180,771 |
| Community Development | 396,929 |
| Health and Welfare | 22,948 |
| Internal Service | <u>1,382,270</u> |
| | <u>\$ 4,951,897</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|-----------|-----------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 3,124,150 | \$ - | \$ - | \$ 3,124,150 |
| Depreciable Capital Assets | | | | |
| Buildings and Improvements | 19,240,175 | - | - | 19,240,175 |
| Machinery and Equipment | 5,825,624 | 709,924 | - | 6,535,548 |
| Underground Systems | 77,174,805 | 663,040 | - | 77,837,845 |
| | 102,240,604 | 1,372,964 | - | 103,613,568 |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | 9,790,566 | 388,357 | - | 10,178,923 |
| Machinery and Equipment | 4,124,388 | 234,503 | - | 4,358,891 |
| Underground Systems | 64,462,962 | 729,253 | - | 65,192,215 |
| | 78,377,916 | 1,352,113 | - | 79,730,029 |
| Total Net Depreciable Capital Assets | 23,862,688 | 20,851 | - | 23,883,539 |
| Total Net Capital Assets | \$ 26,986,838 | \$ 20,851 | \$ - | \$ 27,007,689 |

Depreciation expense was charged to business-type activities as follows:

| | |
|--------------------------------|---------------------|
| Water and Sewer | \$ 1,284,094 |
| Arts, Entertainment and Events | 68,019 |
| | <u>\$ 1,352,113</u> |

CDBG REHABILITATION LOANS

The Village makes loans to residents for the rehabilitation of single-family housing. Initial funding for these loans was from the Community Development Block Grant (CDBG) Fund. These loans are titles 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 as follows:

| Beginning Balances | Issuances | Retirements | Written Off | Ending Balances |
|-----------------------|-----------|-------------|----------------|--------------------|
| \$ 2,092,767 | \$ 41,982 | \$ 22,160 | \$ - | \$ 2,112,589 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

Interfund balances are advances in anticipation of receipts. Individual fund advances are as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------------|-----------------------|-------------------|
| General | Nonmajor Governmental | \$ 120,001 |
| Police Pension | General | 51,256 |
| Firefighters' Pension | General | 27,088 |
| | | <u>\$ 198,345</u> |

Interfund Transfers

Interfund transfers for the year consisted of the following:

| Transfer In | Transfer Out | Amount |
|---------------------------|---------------------------|---------------------|
| General | Nonmajor Business-Type | \$ 200,000 |
| General | Nonmajor Governmental | 100,955 |
| Capital Projects | Nonmajor Business-Type | 300,000 |
| Capital Projects | Nonmajor Governmental | 2,697,417 |
| Nonmajor Governmental | Public Building | 750,000 |
| Nonmajor Governmental | Nonmajor Governmental | 2,850,000 |
| Health and Life Insurance | General | 2,000,000 |
| Retiree Health Insurance | Health and Life Insurance | 536,418 |
| | | <u>\$ 9,434,790</u> |

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

The Village transferred the remaining fund balance in the Emerald Ash Borer Fund (nonmajor governmental) to the Capital Projects Fund and the remaining fund balance in the TIF III Fund (nonmajor governmental) to the General Fund and TIF Tax Reserve Fund (nonmajor governmental) as of December 31, 2017. In addition, the Health and Insurance Fund transferred funds to close out the remaining fund balance in the Retiree Health Insurance Fund as of December 31, 2017.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds have been issued for governmental activities. General obligation bonds currently outstanding are as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-------------------------|-----------------------|-----------|-------------|--------------------|
| \$16,515,000 General Obligation Refunding Bonds of 2006A, due in annual installments of \$275,000 to \$2,660,000 plus interest at 4.00% through December 1, 2018. | Debt Service | \$ 675,000 | \$ - | \$ 330,000 | \$ 345,000 |
| \$2,855,000 General Obligation Refunding Bonds of 2010, due in annual installments of \$20,000 to \$280,000 plus interest at 1.50% to 3.25% through December 1, 2022. | Debt Service | 1,545,000 | - | 235,000 | 1,310,000 |
| \$9,925,000 General Obligation Refunding Bonds of 2011, due in annual installments of \$40,000 to \$2,520,000 plus interest at 2.00% to 4.00% through December 1, 2026. | Debt Service | 9,545,000 | - | 60,000 | 9,485,000 |
| \$9,670,000 General Obligation Refunding Bonds of 2012A, due in annual installments of \$85,000 to \$2,145,000 plus interest at 2.00% through December 1, 2022. | Debt Service | 8,520,000 | - | 1,000,000 | 7,520,000 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-------------------------|-----------------------|-------------|---------------------|----------------------|
| \$7,755,000 General Obligation Refunding Bonds of 2013, due in annual installments of \$35,000 to \$2,135,000 plus interest at 2.00% to 4.00% through December 1, 2019. | Debt Service | \$ 5,550,000 | \$ - | \$ 2,020,000 | \$ 3,530,000 |
| \$7,625,000 General Obligation Bonds of 2014, due in annual installments of \$860,000 to \$1,435,000 plus interest at 2.00% to 3.00% through December 1, 2020. | Debt Service | 5,035,000 | - | 1,350,000 | 3,685,000 |
| \$32,900,000 General Obligation Bonds of 2016, due in annual installments of \$645,000 to \$2,315,000 plus interest at 3.00% to 4.00% through December 1, 2036. | Debt Service | 32,900,000 | - | - | 32,900,000 |
| | | <u>\$ 63,770,000</u> | <u>\$ -</u> | <u>\$ 4,995,000</u> | <u>\$ 58,775,000</u> |

Legal Debt Margin

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

“The General Assembly may limit by law the amount and require referendum approval of debt to the 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 Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|--|-----------------------|-------------------|----------------------|-----------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | | | | | |
| General | \$ 1,636,053 | \$ 135,166 | \$ 67,583 | \$ 1,703,636 | \$ 340,727 |
| Internal Service | 129,880 | 28,998 | 14,499 | 144,379 | 28,876 |
| Net Pension Liability - IMRF | 13,886,591 | - | 10,943,351 | 2,943,240 | - |
| Net Pension Liability - Police Pension | 41,577,698 | - | 9,202,871 | 32,374,827 | - |
| Net Pension Liability - Firefighters' Pension | 48,630,145 | - | 9,241,239 | 39,388,906 | - |
| Net Other Post-Employment Benefits Obligation | | | | | |
| General | 4,704,833 | 629,812 | - | 5,334,645 | - |
| Internal Service | 209,126 | 28,998 | - | 238,124 | - |
| General Obligation Bonds | 63,770,000 | - | 4,995,000 | 58,775,000 | 5,240,000 |
| Unamortized Premium | 2,484,370 | - | 348,004 | 2,136,366 | 340,957 |
| | <u>\$ 177,028,696</u> | <u>\$ 822,974</u> | <u>\$ 34,812,547</u> | <u>\$ 143,039,123</u> | <u>\$ 5,950,560</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | \$ 209,741 | \$ 54,586 | \$ 27,293 | \$ 237,034 | \$ 47,407 |
| Net Pension Liability - IMRF | 4,031,263 | - | 3,189,458 | 841,805 | - |
| Net Other Post-Employment Benefits Obligation | 164,652 | - | 5,647 | 159,005 | - |
| | <u>\$ 4,405,656</u> | <u>\$ 54,586</u> | <u>\$ 3,222,398</u> | <u>\$ 1,237,844</u> | <u>\$ 47,407</u> |

For governmental-type activities, payments on the compensated absences, the net pension liabilities and the net other post-employment benefits obligation are made by the General Fund. The compensated absences for the internal service funds are being liquidated by the Health and Life Insurance, Workers' Compensation, Fleet Operations and Technology Internal Service Funds and the net other post-employment benefits obligation is being liquidated by Health and Life Insurance, Workers' Compensation, Fleet Operations and Technology Internal Service Funds. The Debt Service Fund makes payments on the general obligation bonds.

For the business-type activities, the compensated absences, net pension liability, and the net other post-employment benefits obligation are liquidated by the Water and Sewer Fund.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

| Fiscal Year | Governmental Activities | |
|----------------|-------------------------|----------------------|
| | General Obligation | |
| | Bonds | |
| | Principal | Interest |
| 2018 | \$ 5,240,000 | 1,928,476 |
| 2019 | 5,410,000 | 1,762,688 |
| 2020 | 5,410,000 | 1,590,576 |
| 2021 | 4,050,000 | 1,447,776 |
| 2022 | 4,150,000 | 1,346,550 |
| 2023 | 3,980,000 | 1,226,100 |
| 2024 | 4,125,000 | 1,082,200 |
| 2025 | 3,475,000 | 933,250 |
| 2026 | 3,150,000 | 810,050 |
| 2027 | 1,710,000 | 700,750 |
| 2028 | 1,760,000 | 649,450 |
| 2029 | 1,810,000 | 596,650 |
| 2030 | 1,865,000 | 542,350 |
| 2031 | 1,920,000 | 486,400 |
| 2032 | 1,980,000 | 428,800 |
| 2033 | 2,060,000 | 349,600 |
| 2034 | 2,140,000 | 267,200 |
| 2035 | 2,225,000 | 181,600 |
| 2036 | 2,315,000 | 92,600 |
| Totals | <u>\$ 58,775,000</u> | <u>\$ 16,423,066</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

ECONOMIC DEVELOPMENT

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of December 31, 2017, four agreements have been executed for stores that have opened. The agreements require the Village to rebate to the companies different amounts of sales tax generated by the facilities. The first agreement requires 33 1/3% of municipal sales tax and home-rule sales tax to be rebated in annual installments through December 31, 2017 or \$1,839,310, whichever occurs first. This agreement has expired and the final rebate payments were paid as of December 31, 2016. The second agreement requires 33 1/3% of municipal sales tax to be rebated in annual installments through April 30, 2018 or \$2,000,000, whichever occurs first. The third agreement requires 33 1/3% of municipal sales tax to be rebated in annual installments through May 31, 2023 or \$2,250,000, whichever occurs first. The fourth agreement requires 33 1/3% of municipal sales tax to be rebated in annual installments through August 31, 2025 or \$2,000,000, whichever occurs first. The amount paid/accrued for the fiscal year December 31, 2017 was \$571,410. Total expenditures incurred to date in rebates as of December 31, 2017 was \$4,154,321.

NET POSITION/FUND BALANCE

Fund Balance Classifications

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Trustees itself or b) a body or official to which the Board of Trustees has delegated the authority to assign amounts to be used for specific purposes. The Villages' highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's fund balance policy states that the General Fund should maintain a minimum of at least 25% of expenditures.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

| | General | Debt Service | Capital Projects Capital Projects | Public Building | Nonmajor | Totals |
|------------------------------|---------------|-----------------|---|--------------------|---------------|---------------|
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Inventories | \$ 52,256 | \$ - | \$ - | \$ - | \$ - | \$ 52,256 |
| Prepays | 65,407 | - | 139,678 | - | 38,802 | 243,887 |
| | 117,663 | - | 139,678 | - | 38,802 | 296,143 |
| Restricted | | | | | | |
| Debt Service | - | 1,468,029 | - | - | - | 1,468,029 |
| Capital Projects | - | - | 9,582,986 | - | - | 9,582,986 |
| Motor Fuel Taxes | - | - | - | - | 2,345,911 | 2,345,911 |
| Foreign Fire Insurance | - | - | - | - | 428,541 | 428,541 |
| Criminal Investigation | - | - | - | - | 2,102,028 | 2,102,028 |
| Tax Increment Financing | - | - | - | - | 3,084,383 | 3,084,383 |
| Stormwater Control | - | - | - | - | 5,367,082 | 5,367,082 |
| | - | 1,468,029 | 9,582,986 | - | 13,327,945 | 24,378,960 |
| Assigned | | | | | | |
| Wellness Program | 10,920 | - | - | - | - | 10,920 |
| Affordable Housing | 126,373 | - | - | - | - | 126,373 |
| Disabled Citizens Program | 6,395 | - | - | - | - | 6,395 |
| Emergency Assistance Program | 194,297 | - | - | - | - | 194,297 |
| Senior Center Maintenance | 408,000 | - | - | - | - | 408,000 |
| Canine Unit Donation | 127,821 | - | - | - | - | 127,821 |
| Zero Interest Loan | 122,110 | - | - | - | - | 122,110 |
| Reserve for Encumbrances | 528,454 | - | - | - | - | 528,454 |
| Public Parking | - | - | - | - | 3,889,255 | 3,889,255 |
| Public Building | - | - | - | 27,288,261 | - | 27,288,261 |
| | 1,524,370 | - | - | 27,288,261 | 3,889,255 | 32,701,886 |
| Unassigned | 29,005,220 | - | - | - | - | 29,005,220 |
| Total Fund Balances | \$ 30,647,253 | \$ 1,468,029 | \$ 9,722,664 | \$ 27,288,261 | \$ 17,256,002 | \$ 86,382,209 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Net Position Classifications

Net investment in capital assets, was comprised of the following as of December 31, 2017:

| | |
|--|-----------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 183,039,803 |
| Plus: | |
| Unamortized Loss on Refunding | 827,258 |
| Unspent Bond Proceeds | 26,097,482 |
| Less Capital Related Debt: | |
| General Obligation Refunding Bonds of 2006A | (345,000) |
| General Obligation Refunding Bonds of 2010 | (1,310,000) |
| General Obligation Refunding Bonds of 2011 | (9,485,000) |
| General Obligation Refunding Bonds of 2012A | (7,520,000) |
| General Obligation Refunding Bonds of 2013 | (3,530,000) |
| General Obligation Bonds of 2014 | (3,685,000) |
| General Obligation Bonds of 2016 | (32,900,000) |
| Unamortized Premium | <u>(2,136,366)</u> |
| Net Investment in Capital Assets | <u>\$ 149,053,177</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | <u>\$ 27,007,689</u> |

NOTE 4 – OTHER INFORMATION

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; employee health; 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-insurance 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 has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years. 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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

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 2015 through 2017.

Changes in the balances of claims liabilities during the fiscal year are as follows:

| | Health and Life Insurance | General Liability Insurance | Workers' Compensation | Totals |
|------------------------------------|---------------------------------|-----------------------------------|--------------------------|--------------|
| Claims Payable - December 31, 2015 | \$ 1,120,625 | \$ 464,007 | \$ 2,140,677 | \$ 3,725,309 |
| Incurred Claims | 7,452,081 | 386,893 | 1,118,952 | 8,957,926 |
| Claims Paid | (7,406,188) | (580,706) | (1,963,000) | (9,949,894) |
| Claims Payable - December 31, 2016 | 1,166,518 | 270,194 | 1,296,629 | 2,733,341 |
| Incurred Claims | 8,358,536 | 305,606 | 1,652,831 | 10,316,973 |
| Claims Paid | (8,280,672) | (366,077) | (1,820,433) | (10,467,182) |
| Claims Payable - December 31, 2017 | \$ 1,244,382 | \$ 209,723 | \$ 1,129,027 | \$ 2,583,132 |

Intergovernmental Risk Management Agency (IRMA)

The Village is a new participant in the Intergovernmental Risk Management Agency (IRMA) starting July 2017. IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs.

The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Risk Management Agency (IRMA) – Continued

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

High-Level Excess Liability Pool (HELP)

The Village is a member of the High-Level Excess Liability Pool (HELP). HELP is a public entity risk pool established by certain municipalities in Illinois to provide excess liability coverage (\$12,000,000 of coverage after a \$2,000,000 self-insurance retention). The Village's payments to HELP are displayed on the financial statements as expenditures/expenses in appropriate funds.

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

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

HELP 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 HELP 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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

High-Level Excess Liability Pool (HELP) – Continued

The Village has committed to purchase excess liability insurance from the High-Level Excess Liability Pool (HELP), and 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. HELP's 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

The Village paid \$191,797 to HELP in 2017 for coverage through April 30, 2018.

CONTRACTUAL COMMITMENTS

Solid Waste Agency of Northern Cook County (SWANCC)

Annual payments to SWANCC are based on estimated tonnage of waste transported to SWANCC. It is assumed that there will be no material changes in deliveries to SWANCC. For the fiscal year ended December 31, 2018 the Village estimates it will pay SWANCC \$1,309,150, with annual increases ranging from 0% to 3% through 2022.

CONTINGENT LIABILITIES

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 attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES

Northwest Water Commission (NWWC)

The Village is a member of the Northwest Water Commission (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, 2017 are as follows:

| | <u>Percent Share</u> |
|------------------------------|--------------------------|
| Village of Arlington Heights | 36.43 % |
| Village of Buffalo Grove | 17.06 |
| Village of Palatine | 29.10 |
| Village of Wheeling | <u>17.41</u> |
| | <u>100.00 %</u> |

These percentage shares are based upon formula contained in the water supply 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.

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 by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the NWWC Agreement or the by-laws.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Northwest Water Commission (NWWC) – Continued

Summary of financial positions as of April 30, 2017:

| | | | |
|-------------------|-------------------|------------------------|----------------------|
| Current Assets | \$ 24,334,855 | Current Liabilities | \$ 4,040,801 |
| Noncurrent Assets | | Noncurrent Liabilities | <u>7,952,442</u> |
| Capital Assets | <u>30,506,110</u> | Total Liabilities | <u>11,993,243</u> |
| Total Assets | <u>54,840,965</u> | Net Position | <u>\$ 42,847,722</u> |

Summary of revenues, expenses and changes in net position for the fiscal year ended April 30, 2017:

| | |
|---------------------------------|----------------------|
| Operating Revenues | \$ 12,496,785 |
| Operating Expenses | <u>10,305,673</u> |
| Operating Income | 2,191,112 |
| Nonoperating Revenue (Expenses) | <u>530,301</u> |
| Change in Net Position | 2,721,413 |
| Net Position - Beginning | <u>40,126,309</u> |
| Net Position - Ending | <u>\$ 42,847,722</u> |

Complete financial statements can be obtained from the Northwest Water Commission, 1525 North Wolf Road, Des Plaines, Illinois 60015.

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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Northwest Water Commission (NWWC) – Continued

Revenues of the system consist of: (a) all receipts derived from Water Supply Contracts or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges, and all rates, 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 revenues 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 Contract. 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.

NWWC has entered into an agreement with the City of Evanston 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 this Contract is unconditional and irrevocable, without regard to performance or nonperformance by NWWC of its obligations under this Contract.

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

The obligation of the Village to make payments required by this Agreement from revenues of the Waterworks and Sewerage System shall be payable from the operation and maintenance account of the Water and Sewer Fund.

In accordance with the joint venture agreement, the Village remitted \$3,432,893 to NWWC for the fiscal year ended December 31, 2017. All payments were paid from the Water and Sewer Fund. The Village’s share of net position of NWWC was \$15,647,720 at December 31, 2017.

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC) – Continued

SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC 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 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. Separate audited financial statements are available at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

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. SWANCC has no power to levy taxes.

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 Contracts are irrevocable, and may not be terminated or amended, except as provided in the Contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this Contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this Contract.

The payments required to be made by the Village under this Contract are required to be made solely from revenues to be derived by the Village from the operation of the Municipal Waste System Fund. The Village is not prohibited by the Contract from using any other funds to make the payments required by the Contract. The Contract 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 \$1,066,248 to SWANCC for the fiscal year ended December 31, 2017, which is recorded in the Village's Solid Waste Disposal Fund.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit 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 a single-employer pension plan. A separate report is issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 50 S. Emerson St. Arlington Heights, Illinois 60056. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

| | |
|--|-----------------------|
| Inactive Plan Members Currently Receiving Benefits | 456 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 195 |
| Active Plan Members | <u>378</u> |
| Total | <u><u>1,029</u></u> * |

*The employees in the above table include the Arlington Heights Library.

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2017, the Village's contribution was 12.34% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 7.50% |
| Salary Increases | 3.39% to 14.25% |
| Cost of Living Adjustments | 2.50% |
| Inflation | 2.50% |

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued.

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Fixed Income | 27.00% | 3.00% |
| Domestic Equities | 38.00% | 6.85% |
| International Equities | 17.00% | 6.75% |
| Real Estate | 8.00% | 5.75% |
| Blended | 9.00% | 2.65% - 7.35% |
| Cash and Cash Equivalents | 1.00% | 2.25% |

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

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

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability/(Asset) | | | |
| Village | \$ 19,357,508 | \$ 3,785,045 | \$ (9,168,836) |
| Library | 6,639,891 | 1,298,322 | (3,145,037) |
| Total | \$ 25,997,399 | \$ 5,083,367 | \$ (12,313,873) |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2016 | \$ 174,675,661 | \$ 150,840,376 | \$ 23,835,285 |
| Changes for the Year: | | | |
| Service Cost | 2,700,511 | - | 2,700,511 |
| Interest on the Total Pension Liability | 12,858,220 | - | 12,858,220 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (92,058) | - | (92,058) |
| Changes of Assumptions | (5,760,640) | - | (5,760,640) |
| Contributions - Employer | - | 3,170,250 | (3,170,250) |
| Contributions - Employees | - | 1,158,454 | (1,158,454) |
| Net Investment Income | - | 26,872,858 | (26,872,858) |
| Benefit Payments, including Refunds of Employee Contributions | (9,165,978) | (9,165,978) | - |
| Other (Net Transfer) | - | (2,743,611) | 2,743,611 |
| Net Changes | 540,055 | 19,291,973 | (18,751,918) |
| Balances at December 31, 2017 | \$ 175,215,716 | \$ 170,132,349 | \$ 5,083,367 |
| Net Pension Liability | | | |
| Village | \$ 137,078,028 | \$ 133,292,983 | \$ 3,785,045 |
| Library | 38,137,688 | 36,839,366 | 1,298,322 |
| Total | \$ 175,215,716 | \$ 170,132,349 | \$ 5,083,367 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2017, the Village recognized pension expense of \$2,806,169. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|------------------------|
| Difference Between Expected and Actual Experience | \$ 750,806 | \$ (192,898) | \$ 557,908 |
| Change in Assumptions | 76,517 | (4,488,012) | (4,411,495) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 4,533,709 | (12,675,290) | (8,141,581) |
| Total Deferred Amounts Related to IMRF | <u>\$ 5,361,032</u> | <u>\$ (17,356,200)</u> | <u>\$ (11,995,168)</u> |
| Total Deferred Amounts Related to IMRF Village | \$ 3,991,793 | \$ (12,923,323) | \$ (8,931,530) |
| Library | 1,369,239 | (4,432,877) | (3,063,638) |
| Total | <u>\$ 5,361,032</u> | <u>\$ (17,356,200)</u> | <u>\$ (11,995,168)</u> |

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

| Fiscal Year | Village Net Deferred (Inflows) of Resources | Library Net Deferred (Inflows) of Resources | Totals |
|----------------|--|--|------------------------|
| 2018 | \$ (1,732,930) | \$ (594,416) | \$ (2,327,346) |
| 2019 | (1,761,201) | (604,116) | (2,365,317) |
| 2020 | (3,077,916) | (1,055,768) | (4,133,684) |
| 2021 | (2,359,483) | (809,338) | (3,168,821) |
| 2022 | - | - | - |
| Thereafter | - | - | - |
| Totals | <u>\$ (8,931,530)</u> | <u>\$ (3,063,638)</u> | <u>\$ (11,995,168)</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2017, the measurement date, membership consisted of the following:

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 96 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 7 |
| Active Plan Members | <u>107</u> |
| Total | <u><u>210</u></u> |

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 36.58% of covered payroll.

Concentrations. At year end, the Pension Plan has no investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments)) in any one organization that represent 5 percent or more of net position available for benefits.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 6.75% |
| Salary Increases | 4.75% |
| Cost of Living Adjustments | 3.00% |
| Inflation | 3.00% |

Mortality rates were based on the RP2014 bases rates with blue collar adjustments projected to the valuation date with scale MP2017.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

| | 1% Decrease (5.75%) | Current Discount Rate (6.75%) | 1% Increase (7.75%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 55,518,036 | \$ 32,374,827 | \$ 13,408,454 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2016 | \$ 156,420,714 | \$ 114,843,016 | \$ 41,577,698 |
| Changes for the Year: | | | |
| Service Cost | 2,941,583 | | 2,941,583 |
| Interest on the Total Pension Liability | 10,273,549 | | 10,273,549 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | 495,807 | | 495,807 |
| Changes of Assumptions | (712,451) | | (712,451) |
| Contributions - Employer | - | 3,994,000 | (3,994,000) |
| Contributions - Employees | - | 1,151,412 | (1,151,412) |
| Contributions - Other | - | 1,127 | (1,127) |
| Net Investment Income | - | 17,098,096 | (17,098,096) |
| Benefit Payments, including Refunds of Employee Contributions | (6,607,121) | (6,607,121) | - |
| Administrative Expenses | - | (43,276) | 43,276 |
| Net Changes | 6,391,367 | 15,594,238 | (9,202,871) |
| Balances at December 31, 2017 | \$ 162,812,081 | \$ 130,437,254 | \$ 32,374,827 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2017, the Village recognized pension expense of \$3,393,787. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|-----------------------|
| Difference Between Expected and Actual Experience | \$ 398,790 | \$ (1,175,174) | \$ (776,384) |
| Change in Assumptions | 147,069 | (573,042) | (425,973) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,727,386 | (7,519,661) | (4,792,275) |
| Total Deferred Amounts Related to Police Pension | <u>\$ 3,273,245</u> | <u>\$ (9,267,877)</u> | <u>\$ (5,994,632)</u> |

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

| Fiscal Year | Net Deferred (Inflows) of Resources |
|----------------|---|
| 2018 | \$ (1,013,562) |
| 2019 | (1,012,904) |
| 2020 | (1,986,056) |
| 2021 | (1,977,425) |
| 2022 | (4,685) |
| Thereafter | - |
| Totals | <u>\$ (5,994,632)</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2017, the measurement date, membership consisted of the following:

| | |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits | 103 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 3 |
| Active Plan Members | <u>106</u> |
| Total | <u><u>212</u></u> |

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 firefighter 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 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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 police office 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 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. 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 contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2017, the Village's contribution was 44.96% of covered payroll.

Significant Investments. At year end, the Pension Plan does not have any investments (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) in any one organization that represent 5 percent or more of net position.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

| | |
|----------------------------|---------------------|
| Actuarial Cost Method | Entry Age Normal |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Interest Rate | 6.75% |
| Salary Increases | 4.75% |
| Cost of Living Adjustments | 3.00% |
| Inflation | 3.00% |

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected to the valuation date with scale MP2017

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

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

| | 1% Decrease (5.75%) | Current Discount Rate (6.75%) | 1% Increase (7.75%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 59,696,911 | \$ 39,388,906 | \$ 22,677,056 |

Changes in the Net Pension Liability

| | Total Pension Liability (A) | Plan Fiduciary Net Position (B) | Net Pension Liability (A) - (B) |
|---|--------------------------------------|---------------------------------------|---------------------------------------|
| Balances at December 31, 2016 | \$ 146,448,364 | \$ 97,818,219 | \$ 48,630,145 |
| Changes for the Year: | | | |
| Service Cost | 3,419,246 | - | 3,419,246 |
| Interest on the Total Pension Liability | 9,618,402 | - | 9,618,402 |
| Difference Between Expected and Actual Experience of the Total Pension Liability | (2,422,578) | - | (2,422,578) |
| Changes of Assumptions | (1,287,282) | - | (1,287,282) |
| Contributions - Employer | - | 4,889,000 | (4,889,000) |
| Contributions - Employees | - | 1,021,422 | (1,021,422) |
| Contributions - Other | - | 5,406 | (5,406) |
| Net Investment Income | - | 12,680,482 | (12,680,482) |
| Benefit Payments, including Refunds of Employee Contributions | (6,552,552) | (6,552,552) | - |
| Administrative Expenses | - | (27,283) | 27,283 |
| Net Changes | 2,775,236 | 12,016,475 | (9,241,239) |
| Balances at December 31, 2017 | \$ 149,223,600 | \$ 109,834,694 | \$ 39,388,906 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended December 31, 2017, the Village recognized pension expense of \$4,502,999. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals |
|---|--------------------------------------|-------------------------------------|-----------------------|
| Difference Between Expected and Actual Experience | \$ 707 | \$ (2,782,696) | \$ (2,781,989) |
| Change in Assumptions | 141,937 | (1,038,291) | (896,354) |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,696,027 | (5,346,068) | (2,650,041) |
| Total Deferred Amounts Related to Firefighters' Pension | <u>\$ 2,838,671</u> | <u>\$ (9,167,055)</u> | <u>\$ (6,328,384)</u> |

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

| Fiscal Year | Net Deferred (Inflows) of Resources |
|----------------|---|
| 2018 | \$ (954,969) |
| 2019 | (954,969) |
| 2020 | (2,303,141) |
| 2021 | (1,993,318) |
| 2022 | (121,987) |
| Thereafter | - |
| Total | <u>\$ (6,328,384)</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit 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.

The Village provides pre and post Medicare post-employment health insurance to retirees, their spouses and dependents who were enrolled in one of the Village's healthcare plans at the time of the employees' retirement. To be eligible for benefits, the employee must qualify for retirement under one of the Village's three retirement plans.

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2017, retirees contributed \$1,910,355.

At December 31, 2017, membership consisted of:

| | |
|---|------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them. | 206 |
| Active Employees | <u>414</u> |
| Total | <u>620</u> |
| Participating Employers | 1 |

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 the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2017, was calculated as follows:

| | |
|------------------------------|----------------------------|
| Annual Required Contribution | \$ 1,580,917 |
| Interest on the NOPEBO | 203,144 |
| Adjustment to the ARC | <u>(282,401)</u> |
| Annual OPEB Cost | 1,501,660 |
| Actual Contribution | <u>848,497</u> |
| Change in NPOEBO | 653,163 |
| NOPEBO - Beginning | <u>5,078,611</u> |
| NOPEBO - Ending | <u><u>\$ 5,731,774</u></u> |

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

| Fiscal Year | Annual OPEB Cost | Actual Contributions | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|-------------|------------------|----------------------|-------------------------------------|---------------------|
| 12/31/2015 | \$ 465,044 | \$ 374,594 | 80.55% | \$ 4,560,015 |
| 12/31/2016 | 1,125,436 | 606,840 | 53.92% | 5,078,611 |
| 12/31/2017 | 1,501,660 | 848,497 | 56.50% | 5,731,774 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2017 was as follows:

| | |
|---|---------------|
| Actuarial Accrued Liability (AAL) | \$ 20,231,649 |
| Actuarial Value of Plan Assets | \$ - |
| Unfunded Actuarial Accrued Liability (UAAL) | \$ 20,231,649 |
| Funded Ratio (Actuarial Value of Plan Assets/AAL) | 0.00% |
| Covered Payroll (Active Plan Members) | \$ 39,721,884 |
| UAAL as a Percentage of Covered Payroll | 50.93% |

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 contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 December 31, 2017 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate or return, projected salary increases of 3.0% and an initial healthcare trend rate of 8.0% reduced to an ultimate healthcare inflation rate of 4.5% after eight years. Both rates include a 2.5% 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 dollar amount on an open basis. The remaining amortization period at December 31, 2017, was 30 years.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – ARLINGTON HEIGHTS MEMORIAL LIBRARY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements the Library are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

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. In accordance with GASB Statement No. 61, the Library is reported as a discretely presented component unit of the Village. Complete financial statements for the Library can be obtained from the Library's offices at 500 North Dunton Street, Arlington Heights, Illinois 60004.

BASIS OF PRESENTATION

Government-Wide and Fund Financial Statements

The government-wide Statement of Activities reports both the gross and net cost of the Library's functions. The Library's activities are supported by taxes and intergovernmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. 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, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

A fund is a separate accounting entity with a self-balancing set of accounts. Separate financial statements are provided for the general fund. The Library only maintains governmental funds.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – ARLINGTON HEIGHTS MEMORIAL LIBRARY – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Library:

General fund is the general operating fund of the Library. It is used to account for all financial resources, except for those required or desired to be accounted for in another fund. The General Fund is a major fund.

Capital projects funds account for financial resources that are restricted, committed or assigned to expenditure for capital outlays. Major projects include renovation of the Library. The Capital Projects Fund is treated as a major fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

The Library's funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – ARLINGTON HEIGHTS MEMORIAL LIBRARY – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflows is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Library recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for construction loan/line of credit principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, 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 purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Library categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – ARLINGTON HEIGHTS MEMORIAL LIBRARY – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets

Capital assets purchases or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Library as a whole. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|-----------------------------------|--------------|
| Building and Improvements | 40 Years |
| Equipment, Furniture and Fixtures | 3 - 10 Years |

Deferred Outflows/Inflows of Resources

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

Compensated Absences

Vested or accumulated vacation leave related to employees that have terminated or retired by year end but have not been paid out and expected to be liquidated with expendable available financial resources, is reported as an expenditure and a fund liability in the General Fund. Vested or accumulated vacation leave in the government-wide financial statements is recorded as an expense and liability as the benefits accrue to employees.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Notes to the Financial Statements

December 31, 2017

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – ARLINGTON HEIGHTS MEMORIAL LIBRARY – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “investment in capital assets.”

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
 - Other Post-Employment Benefit Plan
 - Arlington Heights Memorial Library – Other Post-Employment Benefits Plan
- Schedule of Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Other Post-Employment Benefits Plan

Required Supplementary Information Schedule of Funding Progress and Employer Contributions December 31, 2017

Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--------------------------------|--|--|-------------------------------------|---|-------------------------------------|---|
| 4/30/2013 | N/A | \$ N/A | N/A | \$ N/A | \$ N/A | N/A |
| 4/30/2014 | - | 13,892,812 | 0.00% | 13,892,812 | 39,834,803 | 34.88% |
| 4/30/2015 | - | 12,604,617 | 0.00% | 12,604,617 | 40,894,252 | 30.82% |
| 12/31/2015 | - | 14,251,235 | 0.00% | 14,251,235 | 36,875,587 | 38.65% |
| 12/31/2016 | - | 14,652,386 | 0.00% | 14,652,386 | 37,981,854 | 38.58% |
| 12/31/2017 | - | 20,231,649 | 0.00% | 20,231,649 | 39,721,884 | 50.93% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contributions | Percent Contributed |
|----------------|---------------------------|-------------------------------------|------------------------|
| 4/30/2013 | \$ 643,520 | \$ 810,468 | 79.40% |
| 4/30/2014 | 562,603 | 813,091 | 69.19% |
| 4/30/2015 | 453,374 | 767,335 | 59.08% |
| 12/31/2015 | 374,594 | 506,009 | 74.03% |
| 12/31/2016 | 606,840 | 1,188,127 | 51.08% |
| 12/31/2017 | 848,497 | 1,580,917 | 53.67% |

The Village is required to have the actuarial valuation performed biennially.

N/A - Not Available

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
ARLINGTON HEIGHTS MEMORIAL LIBRARY

Other Post-Employment Benefits Plan

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2017

Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--------------------------------|--|--|-------------------------------------|---|-------------------------------------|---|
| 4/30/2013 | \$ N/A | \$ N/A | N/A | \$ N/A | \$ N/A | N/A |
| 4/30/2014 | - | 1,543,646 | 0.00% | 1,543,646 | 6,505,722 | 23.73% |
| 4/30/2015 | - | 1,322,810 | 0.00% | 1,322,810 | 6,498,209 | 20.36% |
| 12/31/2015 | - | 207,012 | 0.00% | 207,012 | 3,972,722 | 5.21% |
| 12/31/2016 | - | 219,200 | 0.00% | 219,200 | 4,091,904 | 5.36% |
| 12/31/2017 | - | 446,987 | 0.00% | 446,987 | 4,198,357 | 10.65% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contributions | Percent Contributed |
|----------------|---------------------------|-------------------------------------|------------------------|
| 4/30/2013 | \$ 73,894 | \$ 93,064 | 79.40% |
| 4/30/2014 | 62,579 | 90,441 | 69.19% |
| 4/30/2015 | 47,580 | 80,529 | 59.08% |
| 12/31/2015 | 5,057 | 18,990 | 26.63% |
| 12/31/2016 | 8,193 | 22,751 | 36.01% |
| 12/31/2017 | 13,741 | 36,366 | 37.79% |

The amounts above are allocated based on the Library's portion of the total Village net other post-employment benefits obligation.

N/A - Not Available

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2017

| Fiscal Year | | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 12/31/2015 | Total | \$ 3,159,698 | \$ 3,168,474 | \$ 8,776 | \$ 24,380,386 | 13.00% |
| 12/31/2016 | Total | 3,257,572 | 3,257,572 | - | 24,924,034 | 13.07% |
| 12/31/2017 | Village | 2,360,549 | 2,360,549 | - | 19,129,248 | 12.34% |
| | Library | 809,701 | 809,701 | - | 6,561,594 | 12.34% |
| | Total | 3,170,250 | 3,170,250 | - | 25,690,842 | 12.34% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 26 Years |
| Asset Valuation Method | 5-Year Smoothed Market |
| Inflation | 2.75% |
| Salary Increases | 3.75% - 14.50% |
| Investment Rate of Return | 7.50% |
| Retirement Age | See the Notes to the Financial Statements |
| Mortality | IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Employer Contributions December 31, 2017

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 4/30/2015 | \$ 4,432,000 | \$ 4,529,400 | \$ 97,400 | \$ 9,938,967 | 45.57% |
| 12/31/2015 | 2,779,725 | 4,500,000 | 1,720,275 | 10,381,979 | 43.34% |
| 12/31/2016 | 3,839,961 | 4,500,000 | 660,039 | 10,722,080 | 41.97% |
| 12/31/2017 | 3,878,094 | 3,994,000 | 115,906 | 10,917,682 | 36.58% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 24 Years |
| Asset Valuation Method | 3-Year Smoothed Market |
| Inflation | 3.00% |
| Salary Increases | 4.75% |
| Investment Rate of Return | 6.75% |
| Retirement Age | Graded by Age (14% at age 50 to 100% at age 65) |
| Mortality | RP2014 Bases Rates with Blue Collar Adjustment projected to the valuation date with Scale MP2017 |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2017

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 4/30/2015 | \$ 5,055,378 | \$ 5,007,300 | \$ (48,078) | \$ 10,022,659 | 49.96% |
| 12/31/2015 | 3,235,984 | 5,057,400 | 1,821,416 | 10,617,314 | 47.63% |
| 12/31/2016 | 4,734,724 | 5,100,000 | 365,276 | 10,623,394 | 48.01% |
| 12/31/2017 | 4,852,674 | 4,889,000 | 36,326 | 10,874,876 | 44.96% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 24 Years |
| Asset Valuation Method | 3-Year Smoothed Market |
| Inflation | 3.00% |
| Salary Increases | 4.75% |
| Investment Rate of Return | 6.75% |
| Retirement Age | Graded by Age (14% at age 50 to 100% at age 65) |
| Mortality | RP2014 Base Rates with Blue Collar Adjustment projected to the valuation date with scale MP2017 |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2017

| | <u>12/31/2015</u> <u>Total</u> |
|--|-----------------------------------|
| Total Pension Liability | |
| Service Cost | \$ 2,640,660 |
| Interest | 11,869,028 |
| Changes in Benefit Terms | - |
| Differences Between Expected and Actual Experience | (648,919) |
| Change of Assumptions | 395,156 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(7,881,295)</u> |
| Net Change in Total Pension Liability | 6,374,629 |
| Total Pension Liability - Beginning | <u>161,085,307</u> |
| Total Pension Liability - Ending | <u><u>\$ 167,459,936</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 3,168,474 |
| Contributions - Members | 1,182,657 |
| Net Investment Income | 723,795 |
| Benefit Payments, Including Refunds of Member Contributions | (7,881,295) |
| Other (Net Transfer) | <u>965,299</u> |
| Net Change in Plan Fiduciary Net Position | (1,841,070) |
| Plan Net Position - Beginning | <u>146,524,094</u> |
| Plan Net Position - Ending | <u><u>\$ 144,683,024</u></u> |
| Employer's Net Pension Liability | <u><u>\$ 22,776,912</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 86.40% |
| Covered Payroll | \$ 24,380,386 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 93.42% |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

| 12/31/16 | | 12/31/2017 | |
|----------------|----------------|---------------|----------------|
| Total | Village | Library | Total |
| \$ 2,639,543 | \$ 2,010,784 | \$ 689,727 | \$ 2,700,511 |
| 12,281,628 | 9,403,912 | 3,454,308 | 12,858,220 |
| - | - | - | - |
| 1,640,544 | (68,546) | (23,512) | (92,058) |
| (611,951) | (4,289,338) | (1,471,302) | (5,760,640) |
| (8,734,040) | (6,824,933) | (2,341,045) | (9,165,978) |
| 7,215,724 | 231,879 | 308,176 | 540,055 |
| 167,459,936 | 136,846,149 | 37,829,512 | 174,675,661 |
| \$ 174,675,660 | \$ 137,078,028 | \$ 38,137,688 | \$ 175,215,716 |
| \$ 3,257,572 | \$ 2,360,549 | \$ 809,701 | \$ 3,170,250 |
| 1,145,096 | 862,578 | 295,876 | 1,158,454 |
| 9,933,011 | 20,009,370 | 6,863,488 | 26,872,858 |
| (8,734,040) | (6,824,933) | (2,341,045) | (9,165,978) |
| 555,713 | (2,042,876) | (700,735) | (2,743,611) |
| 6,157,352 | 14,364,688 | 4,927,285 | 19,291,973 |
| 144,683,024 | 118,928,295 | 31,912,081 | 150,840,376 |
| \$ 150,840,376 | \$ 133,292,983 | \$ 36,839,366 | \$ 170,132,349 |
| \$ 23,835,284 | \$ 3,785,045 | \$ 1,298,322 | \$ 5,083,367 |
| 86.35% | 97.24% | 96.60% | 97.10% |
| \$ 24,924,034 | \$ 19,127,248 | \$ 6,561,594 | \$ 25,688,842 |
| 95.63% | 19.79% | 19.79% | 19.79% |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2017

| | 4/30/2015 |
|--|-----------------------|
| Total Pension Liability | |
| Service Cost | \$ 3,248,450 |
| Interest | 9,147,568 |
| Changes in Benefit Terms | - |
| Differences Between Expected and Actual Experience | 325,542 |
| Change of Assumptions | 3,089,627 |
| Benefit Payments, Including Refunds of Member Contributions | (5,421,571) |
| Net Change in Total Pension Liability | 10,389,616 |
| Total Pension Liability - Beginning | 136,588,346 |
| Total Pension Liability - Ending | <u>\$ 146,977,962</u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 4,529,400 |
| Contributions - Members | 986,380 |
| Contributions - Other | 276,199 |
| Net Investment Income | 7,837,174 |
| Benefit Payments, Including Refunds of Member Contributions | (5,421,571) |
| Administrative Expense | (32,090) |
| Net Change in Plan Fiduciary Net Position | 8,175,492 |
| Plan Net Position - Beginning | 99,863,906 |
| Plan Net Position - Ending | <u>\$ 108,039,398</u> |
| Employer's Net Pension Liability | <u>\$ 38,938,564</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 73.51% |
| Covered Payroll | \$ 9,938,967 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 391.78% |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

| 12/31/2015 | 12/31/2016 | 12/31/2017 |
|----------------|----------------|----------------|
| \$ 1,989,231 | \$ 2,940,458 | \$ 2,941,583 |
| 6,520,521 | 9,907,311 | 10,273,549 |
| - | - | - |
| (1,044,681) | (1,217,235) | 495,807 |
| - | 236,267 | (712,451) |
| (3,835,374) | (6,053,746) | (6,607,121) |
| 3,629,697 | 5,813,055 | 6,391,367 |
| 146,977,962 | 150,607,659 | 156,420,714 |
| \$ 150,607,659 | \$ 156,420,714 | \$ 162,812,081 |
| \$ 4,500,000 | \$ 4,500,000 | \$ 3,994,000 |
| 691,981 | 1,036,023 | 1,151,412 |
| 4,776 | 355,856 | 1,127 |
| (1,016,522) | 6,685,207 | 17,098,096 |
| (3,835,374) | (6,053,746) | (6,607,121) |
| (27,218) | (37,365) | (43,276) |
| 317,643 | 6,485,975 | 15,594,238 |
| 108,039,398 | 108,357,041 | 114,843,016 |
| \$ 108,357,041 | \$ 114,843,016 | \$ 130,437,254 |
| \$ 42,250,618 | \$ 41,577,698 | \$ 32,374,827 |
| 71.95% | 73.42% | 80.12% |
| \$ 10,381,979 | \$ 10,722,080 | \$ 10,917,682 |
| 406.96% | 387.78% | 296.54% |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2017

| | <u>4/30/2015</u> |
|--|------------------------------|
| Total Pension Liability | |
| Service Cost | \$ 3,320,273 |
| Interest | 8,688,821 |
| Changes in Benefit Terms | - |
| Differences Between Expected and Actual Experience | (1,433,511) |
| Change of Assumptions | 2,059,344 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(5,795,896)</u> |
| Net Change in Total Pension Liability | 6,839,031 |
| Total Pension Liability - Beginning | <u>129,940,881</u> |
| Total Pension Liability - Ending | <u><u>\$ 136,779,912</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 5,007,300 |
| Contributions - Members | 967,685 |
| Contributions - Other | 1,451 |
| Net Investment Income | 6,263,908 |
| Benefit Payments, Including Refunds of Member Contributions | (5,795,897) |
| Administrative Expense | <u>(35,679)</u> |
| Net Change in Plan Fiduciary Net Position | 6,408,768 |
| Plan Net Position - Beginning | <u>85,488,074</u> |
| Plan Net Position - Ending | <u><u>\$ 91,896,842</u></u> |
| Employer's Net Pension Liability | <u><u>\$ 44,883,070</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 67.19% |
| Covered Payroll | \$ 10,022,659 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 447.82% |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

| 12/31/2015 | 12/31/2016 | 12/31/2017 |
|----------------|----------------|----------------|
| \$ 2,190,940 | \$ 3,459,315 | \$ 3,419,246 |
| 6,058,901 | 9,234,329 | 9,618,402 |
| - | - | - |
| 1,574 | (1,336,382) | (2,422,578) |
| - | 228,889 | (1,287,282) |
| (3,946,419) | (6,222,695) | (6,552,552) |
| 4,304,996 | 5,363,456 | 2,775,236 |
| 136,779,912 | 141,084,908 | 146,448,364 |
| \$ 141,084,908 | \$ 146,448,364 | \$ 149,223,600 |
| \$ 5,057,400 | \$ 5,100,000 | \$ 4,889,000 |
| 689,993 | 989,862 | 1,021,422 |
| 21,628 | 20 | 5,406 |
| (2,559,246) | 6,915,387 | 12,680,482 |
| (3,946,419) | (6,222,695) | (6,552,552) |
| (62,395) | (62,158) | (27,283) |
| (799,039) | 6,720,416 | 12,016,475 |
| 91,896,842 | 91,097,803 | 97,818,219 |
| \$ 91,097,803 | \$ 97,818,219 | \$ 109,834,694 |
| \$ 49,987,105 | \$ 48,630,145 | \$ 39,388,906 |
| 64.57% | 66.79% | 73.60% |
| \$ 10,617,314 | \$ 10,623,394 | \$ 10,874,876 |
| 470.81% | 457.76% | 362.20% |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Investment Returns December 31, 2017

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 4/30/2015 | 8.06% |
| 12/31/2015 | (4.74%) |
| 12/31/2016 | 6.28% |
| 12/31/2017 | 14.90% |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2017**

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 4/30/2015 | 11.52% |
| 12/31/2015 | (2.50%) |
| 12/31/2016 | 7.70% |
| 12/31/2017 | 13.24% |

Note:

This schedule is intended to show information for ten years. Information for additional year's information will be displayed as it becomes available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

These financial statements and schedules are not required by the Governmental Accounting Standards Board (GASB), nor a part of the basic financial statements, but are presented for the purpose of additional analysis.

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund: The General Fund is a major governmental fund used to account for all financial resources of the general government, except those required to be accounted for in another fund.

DEBT SERVICE FUND

Debt Service Fund: The Debt Service Fund is used to account for the servicing of general long-term debt not being financed by proprietary funds.

CAPITAL PROJECTS FUNDS

Capital Projects Fund: The Capital Projects Fund is used 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.

Public Building Fund: The Public Building Fund is used to account for the costs of planning, development and construction of a new Village hall and police station. Financing is provided by the \$20,000,000 General Obligation Bonds, Series 2006 and the \$32,900,000 General Obligation Bonds, Series 2016.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--|---------------|----------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$ 39,331,500 | \$ 39,331,500 | \$ 37,628,149 | \$ 38,491,057 |
| Licenses, Permits and Fees | 5,814,200 | 5,814,200 | 6,211,862 | 6,529,300 |
| Intergovernmental | 22,608,400 | 22,608,400 | 21,623,948 | 22,121,630 |
| Charges for Services | 4,143,100 | 4,143,100 | 4,228,338 | 4,172,561 |
| Fines and Forfeitures | 630,700 | 630,700 | 567,975 | 618,695 |
| Interest | 100,000 | 100,000 | 211,148 | 93,312 |
| Miscellaneous | 489,000 | 489,000 | 524,689 | 527,945 |
| Total Revenues | 73,116,900 | 73,116,900 | 70,996,109 | 72,554,500 |
| Expenditures | | | | |
| General Government | 4,920,100 | 4,919,300 | 4,471,299 | 4,680,170 |
| Public Safety | 46,992,100 | 47,039,052 | 45,999,575 | 45,714,323 |
| Highway and Streets | 12,820,300 | 13,247,146 | 11,319,195 | 11,805,980 |
| Community Development | 6,285,700 | 6,341,089 | 6,052,733 | 5,676,547 |
| Health and Welfare | 2,353,500 | 2,353,500 | 2,114,843 | 2,095,815 |
| Total Expenditures | 73,371,700 | 73,900,087 | 69,957,645 | 69,972,835 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (254,800) | (783,187) | 1,038,464 | 2,581,665 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 294,600 | 294,600 | 300,955 | 200,000 |
| Transfers Out | - | (2,000,000) | (2,000,000) | - |
| | 294,600 | (1,705,400) | (1,699,045) | 200,000 |
| Net Change in Fund Balance | \$ 39,800 | \$ (2,488,587) | (660,581) | 2,781,665 |
| Fund Balance - Beginning | | | 31,307,834 | 28,526,169 |
| Fund Balance - Ending | | | \$ 30,647,253 | \$ 31,307,834 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Balance Sheet

December 31, 2017 and December 31, 2016

| | 12/31/2017 | 12/31/2016 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and Investments | \$ 25,991,397 | \$ 25,029,560 |
| Receivables - Net of Allowances | | |
| Property Taxes | 23,819,840 | 22,357,360 |
| Other Taxes | 5,855,195 | 6,918,339 |
| Accrued Interest | 18,794 | 24,497 |
| Other | 1,208,532 | 1,367,445 |
| Due from Other Funds | 120,001 | 93,000 |
| Prepays/Inventories | 117,663 | 192,691 |
| Total Assets | <u>\$ 57,131,422</u> | <u>\$ 55,982,892</u> |
| LIABILITIES | | |
| Accounts Payable | \$ 1,328,263 | \$ 1,761,849 |
| Accrued Payroll | 1,253,523 | 537,351 |
| Due to Other Funds | 78,344 | 14,300 |
| Other Payables | 4,199 | 4,198 |
| Total Liabilities | <u>2,664,329</u> | <u>2,317,698</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property Taxes | 23,819,840 | 22,357,360 |
| Total Liabilities and Deferred Inflows of Resources | <u>26,484,169</u> | <u>24,675,058</u> |
| FUND BALANCES | | |
| Nonspendable | 117,663 | 192,691 |
| Assigned | 1,524,370 | 1,372,488 |
| Unassigned | 29,005,220 | 29,742,655 |
| Total Fund Balances | <u>30,647,253</u> | <u>31,307,834</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 57,131,422</u> | <u>\$ 55,982,892</u> |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Taxes | | | | |
| Property | \$ 21,894,000 | \$ 21,894,000 | \$ 21,740,922 | \$ 21,560,112 |
| Other | | | | |
| Food and Beverage Tax | 1,987,000 | 1,987,000 | 1,970,860 | 1,944,185 |
| Hotel/Motel Tax | 1,050,000 | 1,050,000 | 1,043,795 | 1,096,755 |
| Telecommunications Tax | 3,200,000 | 3,200,000 | 2,586,731 | 3,116,898 |
| Home Rule Sales Tax | 5,559,000 | 5,559,000 | 5,000,579 | 5,242,769 |
| Natural Gas Utility Tax | 2,144,500 | 2,144,500 | 1,985,369 | 1,977,242 |
| Electric Utility Tax | 3,200,000 | 3,200,000 | 3,002,840 | 3,217,939 |
| Other Tax | 297,000 | 297,000 | 297,053 | 335,157 |
| Total Taxes | 39,331,500 | 39,331,500 | 37,628,149 | 38,491,057 |
| Licenses, Permits and Fees | | | | |
| Vehicle License | 1,276,000 | 1,276,000 | 1,229,699 | 1,249,559 |
| Liquor Licenses | 425,000 | 425,000 | 428,095 | 421,311 |
| Business Licenses | 694,000 | 694,000 | 709,917 | 689,997 |
| Dog Licenses | 66,000 | 66,000 | 62,047 | 65,092 |
| Public Chauffeur Licenses | 3,000 | 3,000 | 840 | 1,240 |
| Multi-Dwelling Licenses | 67,000 | 67,000 | 72,937 | 76,437 |
| Building Permits | 875,000 | 875,000 | 1,126,567 | 1,389,327 |
| Electrical Permits | 110,000 | 110,000 | 110,295 | 128,645 |
| Plumbing Permits | 82,000 | 82,000 | 94,803 | 98,066 |
| Sign Permits | 10,000 | 10,000 | 12,400 | 13,079 |
| Elevator Permits | 80,000 | 80,000 | 86,142 | 69,126 |
| Occupancy Permits | 20,000 | 20,000 | 29,240 | 43,138 |
| Driveway Permits | 1,600 | 1,600 | 8,364 | 3,772 |
| Air Conditioner Permits | 10,000 | 10,000 | 13,171 | 19,326 |
| Swimming Pool Permits | 3,000 | 3,000 | 4,825 | 471 |
| Chimney Permits | 2,000 | 2,000 | 5,052 | 2,616 |
| Wrecking and Other Permits | 7,400 | 7,400 | 17,794 | 14,423 |
| Planning Commission Hearings Fees | 18,000 | 18,000 | 18,670 | 32,445 |
| Rezoning Fees | 9,000 | 9,000 | 14,890 | 11,740 |
| Plan Exam Fees | 70,000 | 70,000 | 102,155 | 91,577 |
| Fire Plan Examination Fees | 60,000 | 60,000 | 40,805 | 58,049 |
| Police Counselor Fees | 315,000 | 315,000 | 324,986 | 332,422 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--|------------|------------|------------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Licenses, Permits and Fees - Continued | | | | |
| Police Records Fees | \$ 10,000 | \$ 10,000 | \$ 10,687 | \$ 10,258 |
| Weed Cutting Fees | 8,000 | 8,000 | 4,295 | 3,141 |
| Lien Recording Fees | 300 | 300 | - | - |
| Animal Detention Fees | 700 | 700 | 25 | - |
| Cable Franchise Fees | 1,500,000 | 1,500,000 | 1,575,254 | 1,592,920 |
| False Alarm Fees | 53,000 | 53,000 | 34,000 | 41,200 |
| Photocopy Fees | 200 | 200 | 58 | 8 |
| Other Fees | 38,000 | 38,000 | 73,849 | 69,915 |
| Total Licenses, Permits and Fees | 5,814,200 | 5,814,200 | 6,211,862 | 6,529,300 |
| Intergovernmental | | | | |
| Municipal Sales Tax | 12,820,000 | 12,820,000 | 12,064,683 | 12,377,718 |
| State Use Tax | 1,600,000 | 1,600,000 | 2,027,665 | 1,807,251 |
| Replacement Taxes | 400,000 | 400,000 | 464,689 | 430,829 |
| Shared Income Tax | 7,670,400 | 7,670,400 | 6,897,965 | 7,310,634 |
| Grant - Counselor in the Park | 23,000 | 23,000 | 23,000 | 23,000 |
| Grant - Training | 20,000 | 20,000 | 31,638 | 42,456 |
| Grant - Task Force | 25,000 | 25,000 | 12,784 | 26,707 |
| Grant - Other | 50,000 | 50,000 | 101,524 | 103,035 |
| Total Intergovernmental | 22,608,400 | 22,608,400 | 21,623,948 | 22,121,630 |
| Charges for Services | | | | |
| Escrow Deposits | 2,500 | 2,500 | 10,008 | 4,890 |
| Guaranteed Bonds | 1,500 | 1,500 | 4,388 | 1,623 |
| Parking | 356,400 | 356,400 | 356,400 | 346,000 |
| Water | 1,618,300 | 1,618,300 | 1,618,300 | 1,571,200 |
| TIF | 65,000 | 65,000 | 80,000 | 80,000 |
| Engineering Service Charges | 60,000 | 60,000 | 109,998 | 164,287 |
| Ambulance Service Charges | 1,650,000 | 1,650,000 | 1,682,159 | 1,592,455 |
| Special Police Detail | 225,400 | 225,400 | 227,530 | 253,533 |
| Special Fire Detail | 54,000 | 54,000 | 52,615 | 49,465 |
| Special PW Detail | 7,300 | 7,300 | 10,262 | 13,145 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--|------------|-----------|-----------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Charges for Services - Continued | | | | |
| Chemical User Fees | \$ 10,000 | \$ 10,000 | \$ 13,210 | \$ 12,900 |
| DUI Administration Charges | 90,000 | 90,000 | 57,000 | 64,500 |
| Sales - Equipment | - | - | 2,488 | 14,644 |
| Sales - Scrap | 1,500 | 1,500 | 1,303 | 2,105 |
| Sales - Signs | 100 | 100 | - | - |
| Sales - Plans and Specs | 1,000 | 1,000 | 2,660 | 1,780 |
| Sales - Printed Materials | 100 | 100 | 17 | 34 |
| Total Charges for Services | 4,143,100 | 4,143,100 | 4,228,338 | 4,172,561 |
| Fines and Forfeitures | | | | |
| Fines - Traffic Court | 285,000 | 285,000 | 273,041 | 285,106 |
| Fines - Untagged Dog | 100 | 100 | - | 78 |
| Fines - Parking | 270,000 | 270,000 | 240,442 | 266,115 |
| Fines - Compliance Ticket | 5,500 | 5,500 | 6,922 | 8,942 |
| Fines - Ordinance Ticket | 60,000 | 60,000 | 43,985 | 46,027 |
| Fines - Crime Prevention | 100 | 100 | - | 500 |
| Fines - Other | 10,000 | 10,000 | 3,585 | 11,927 |
| Total Fines and Forfeitures | 630,700 | 630,700 | 567,975 | 618,695 |
| Interest | | | | |
| Investment Income | 100,000 | 100,000 | 211,148 | 93,312 |
| Miscellaneous | | | | |
| Damage Claims | 38,100 | 38,100 | 63,128 | 67,660 |
| Rents and Concessions | 80,000 | 80,000 | 34,112 | 61,712 |
| Train Station Rents | 10,000 | 10,000 | 13,358 | 13,699 |
| Traffic Signal Control Maintenance | 10,000 | 10,000 | 34,236 | 28,656 |
| Senior Center Receipts | 5,000 | 5,000 | 9,718 | 7,953 |
| Class 6B Rebate | 40,000 | 40,000 | 78,422 | 38,688 |
| Wellness Program | 31,000 | 31,000 | 16,919 | 19,764 |
| Disabled Citizen Donations | 100 | 100 | 670 | 303 |
| Affordable Housing Trust | - | - | 20,000 | - |
| Arlington Heights Emergency Assistance | 20,000 | 20,000 | 26,600 | 23,538 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**General Fund****Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------|---------------|---------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Miscellaneous - Continued | | | | |
| NWCH in Lieu of Property Taxes | \$ 214,800 | \$ 214,800 | \$ 214,868 | \$ 204,637 |
| Mayors Alcohol Prevention | - | - | - | 2,000 |
| Bad Debt Recovery | 10,000 | 10,000 | 14,883 | 14,948 |
| Other Income | 30,000 | 30,000 | (2,225) | 44,387 |
| Total Miscellaneous | 489,000 | 489,000 | 524,689 | 527,945 |
| Total Revenues | \$ 73,116,900 | \$ 73,116,900 | \$ 70,996,109 | \$ 72,554,500 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | |
|------------------------------------|---------------|---------------|---------------|---------------|
| | Budget | | | 12/31/2016 |
| | Original | Final | Actual | Actual |
| General Government | | | | |
| Board of Trustees | \$ 178,600 | \$ 178,600 | \$ 160,925 | \$ 151,543 |
| Integrated Services | 930,400 | 930,400 | 892,616 | 895,141 |
| Human Resources | 387,700 | 394,700 | 381,023 | 418,787 |
| Legal Services | 763,900 | 763,900 | 731,882 | 818,986 |
| Finance | 1,640,200 | 1,640,200 | 1,611,170 | 1,550,113 |
| Boards and Commissions | 174,300 | 174,300 | 122,273 | 168,890 |
| Other | 845,000 | 837,200 | 571,410 | 676,710 |
| Total General Government | 4,920,100 | 4,919,300 | 4,471,299 | 4,680,170 |
| Public Safety | | | | |
| Police | 25,023,600 | 25,055,433 | 24,377,532 | 24,337,970 |
| Fire | 21,968,500 | 21,983,619 | 21,622,043 | 21,376,353 |
| Total Public Safety | 46,992,100 | 47,039,052 | 45,999,575 | 45,714,323 |
| Highways and Streets | | | | |
| Public Works | 12,820,300 | 13,247,146 | 11,319,195 | 11,805,980 |
| Community Development | | | | |
| Planning and Community Development | 1,794,900 | 1,839,020 | 1,695,064 | 1,614,737 |
| Building Services | 2,449,100 | 2,449,100 | 2,399,452 | 2,234,363 |
| Engineering | 2,041,700 | 2,052,969 | 1,958,217 | 1,827,447 |
| Total Community Development | 6,285,700 | 6,341,089 | 6,052,733 | 5,676,547 |
| Health and Welfare | | | | |
| Senior Services | 520,100 | 520,100 | 499,975 | 466,660 |
| Health Services | 1,833,400 | 1,833,400 | 1,614,868 | 1,629,155 |
| Total Health and Welfare | 2,353,500 | 2,353,500 | 2,114,843 | 2,095,815 |
| Total Expenditures | \$ 73,371,700 | \$ 73,900,087 | \$ 69,957,645 | \$ 69,972,835 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------|------------|-----------|-----------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| General Government | | | | |
| Board of Trustees | | | | |
| Salaries | \$ 30,900 | \$ 30,900 | \$ 30,900 | \$ 30,900 |
| Fringe Benefits | 6,400 | 6,400 | 4,319 | 5,039 |
| Contractual Services | 139,700 | 139,700 | 124,050 | 115,022 |
| Commodities | 1,600 | 1,600 | 1,656 | 582 |
| | 178,600 | 178,600 | 160,925 | 151,543 |
| Integrated Services | | | | |
| Salaries | 641,000 | 641,000 | 614,091 | 613,328 |
| Fringe Benefits | 209,900 | 209,900 | 199,616 | 203,497 |
| Contractual Services | 71,600 | 71,600 | 72,833 | 63,353 |
| Commodities | 7,900 | 7,900 | 6,076 | 5,563 |
| Other Charges | - | - | - | 9,400 |
| | 930,400 | 930,400 | 892,616 | 895,141 |
| Human Resources | | | | |
| Salaries | 219,200 | 219,200 | 218,985 | 210,621 |
| Fringe Benefits | 88,600 | 88,600 | 86,828 | 86,661 |
| Contractual Services | 54,600 | 61,600 | 57,266 | 102,298 |
| Commodities | 2,600 | 2,600 | 2,795 | 2,575 |
| Other Charges | 22,700 | 22,700 | 15,149 | 16,632 |
| | 387,700 | 394,700 | 381,023 | 418,787 |
| Legal Services | | | | |
| Salaries | 362,200 | 362,200 | 363,265 | 350,703 |
| Fringe Benefits | 127,800 | 127,800 | 125,245 | 123,954 |
| Contractual Services | 262,800 | 262,800 | 233,573 | 253,352 |
| Commodities | 11,100 | 11,100 | 9,799 | 9,696 |
| Other Charges | - | - | - | 81,281 |
| | 763,900 | 763,900 | 731,882 | 818,986 |
| Finance | | | | |
| Salaries | 922,700 | 922,700 | 910,915 | 871,202 |
| Fringe Benefits | 343,400 | 343,400 | 334,618 | 327,010 |
| Contractual Services | 342,500 | 342,500 | 330,967 | 323,386 |
| Commodities | 31,600 | 31,600 | 32,897 | 26,854 |
| Other Charges | - | - | 1,773 | 1,661 |
| | 1,640,200 | 1,640,200 | 1,611,170 | 1,550,113 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------|------------|------------|------------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| General Government - Continued | | | | |
| Boards and Commissions | | | | |
| Salaries | \$ 10,100 | \$ 10,100 | \$ 4,547 | \$ 4,734 |
| Fringe Benefits | 1,300 | 1,300 | 348 | 363 |
| Contractual Services | 128,000 | 128,000 | 105,733 | 131,488 |
| Commodities | 4,700 | 4,700 | 2,744 | 2,228 |
| Other Charges | 30,200 | 30,200 | 8,901 | 30,077 |
| | 174,300 | 174,300 | 122,273 | 168,890 |
| Other | | | | |
| Contingency | 250,000 | 242,200 | - | - |
| Other Charges | 595,000 | 595,000 | 571,410 | 676,710 |
| | 845,000 | 837,200 | 571,410 | 676,710 |
| Total General Government | 4,920,100 | 4,919,300 | 4,471,299 | 4,680,170 |
| Public Safety | | | | |
| Police | | | | |
| Salaries | 14,294,200 | 14,294,200 | 13,872,117 | 13,700,882 |
| Salaries - Police Grant | 84,900 | 84,900 | 49,342 | 59,534 |
| Fringe Benefits | 7,552,200 | 7,552,200 | 7,509,972 | 7,846,184 |
| Contractual Services | 2,550,900 | 2,551,914 | 2,525,885 | 2,314,868 |
| Commodities | 503,400 | 534,219 | 420,216 | 406,740 |
| Other Charges | 38,000 | 38,000 | - | 9,762 |
| | 25,023,600 | 25,055,433 | 24,377,532 | 24,337,970 |
| Fire | | | | |
| Salaries | 11,950,600 | 11,950,600 | 11,740,363 | 11,628,897 |
| Fringe Benefits | 7,827,100 | 7,827,100 | 7,820,594 | 7,798,856 |
| Contractual Services | 1,777,200 | 1,777,200 | 1,723,565 | 1,656,685 |
| Commodities | 413,600 | 428,719 | 337,521 | 291,915 |
| | 21,968,500 | 21,983,619 | 21,622,043 | 21,376,353 |
| Total Public Safety | 46,992,100 | 47,039,052 | 45,999,575 | 45,714,323 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|------------------------------------|--------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Highways and Streets | | | | |
| Public Works | | | | |
| Salaries | \$ 4,203,500 | \$ 4,203,500 | \$ 3,875,239 | \$ 3,939,183 |
| Fringe Benefits | 1,958,200 | 1,958,200 | 1,857,422 | 1,886,334 |
| Contractual Services | 4,886,400 | 4,994,009 | 4,488,713 | 4,620,430 |
| Commodities | 1,772,200 | 2,091,437 | 1,097,821 | 1,360,033 |
| | | | | |
| Total Highways and Streets | 12,820,300 | 13,247,146 | 11,319,195 | 11,805,980 |
| | | | | |
| Community Development | | | | |
| Planning and Community Development | | | | |
| Salaries | 987,900 | 987,900 | 976,734 | 901,529 |
| Fringe Benefits | 399,800 | 399,800 | 375,666 | 346,608 |
| Contractual Services | 142,400 | 159,338 | 140,028 | 196,920 |
| Commodities | 33,500 | 52,286 | 16,156 | 7,968 |
| Other Charges | 231,300 | 239,696 | 186,480 | 161,712 |
| | 1,794,900 | 1,839,020 | 1,695,064 | 1,614,737 |
| | | | | |
| Building Services | | | | |
| Salaries | 1,566,200 | 1,554,200 | 1,542,122 | 1,405,776 |
| Fringe Benefits | 574,900 | 574,900 | 562,633 | 562,013 |
| Contractual Services | 275,800 | 287,800 | 266,858 | 246,563 |
| Commodities | 32,200 | 32,200 | 27,839 | 20,011 |
| | 2,449,100 | 2,449,100 | 2,399,452 | 2,234,363 |
| | | | | |
| Engineering | | | | |
| Salaries | 1,125,500 | 1,125,500 | 1,099,531 | 1,075,723 |
| Fringe Benefits | 439,000 | 439,000 | 428,217 | 425,794 |
| Contractual Services | 464,000 | 475,269 | 420,123 | 315,893 |
| Commodities | 13,200 | 13,200 | 10,346 | 10,037 |
| | 2,041,700 | 2,052,969 | 1,958,217 | 1,827,447 |
| | | | | |
| Total Community Development | 6,285,700 | 6,341,089 | 6,052,733 | 5,676,547 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Health and Welfare | | | | |
| Senior Services | | | | |
| Salaries | \$ 300,000 | \$ 300,000 | \$ 299,753 | \$ 284,224 |
| Fringe Benefits | 102,300 | 102,300 | 100,297 | 77,841 |
| Contractual Services | 93,100 | 93,100 | 80,830 | 86,114 |
| Commodities | 24,700 | 24,700 | 19,095 | 18,481 |
| | <u>520,100</u> | <u>520,100</u> | <u>499,975</u> | <u>466,660</u> |
| Health Services | | | | |
| Salaries | 1,076,700 | 1,076,700 | 988,586 | 1,005,985 |
| Fringe Benefits | 406,000 | 406,000 | 383,389 | 380,909 |
| Contractual Services | 179,900 | 179,900 | 145,705 | 138,006 |
| Commodities | 65,800 | 65,800 | 29,478 | 36,501 |
| Other Charges | 105,000 | 105,000 | 67,710 | 67,754 |
| | <u>1,833,400</u> | <u>1,833,400</u> | <u>1,614,868</u> | <u>1,629,155</u> |
| Total Health and Welfare | <u>2,353,500</u> | <u>2,353,500</u> | <u>2,114,843</u> | <u>2,095,815</u> |
| Total Expenditures | <u>\$ 73,371,700</u> | <u>\$ 73,900,087</u> | <u>\$ 69,957,645</u> | <u>\$ 69,972,835</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--|--------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property - Levy | \$ 6,803,950 | \$ 6,803,950 | \$ 6,764,890 | \$ 6,520,576 |
| Interest | 15,000 | 15,000 | 26,970 | 9,397 |
| Miscellaneous | 282,300 | 282,300 | 281,550 | 282,300 |
| Total Revenues | 7,101,250 | 7,101,250 | 7,073,410 | 6,812,273 |
| Expenditures | | | | |
| Debt Service | | | | |
| Principal Retirement | 4,995,000 | 4,995,000 | 4,995,000 | 5,215,000 |
| Interest and Fiscal Charges | 2,097,500 | 2,097,500 | 2,094,718 | 2,028,442 |
| Total Expenditures | 7,092,500 | 7,092,500 | 7,089,718 | 7,243,442 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 8,750 | 8,750 | (16,308) | (431,169) |
| Other Financing Sources | | | | |
| Transfers In | - | - | - | 415,000 |
| Net Change in Fund Balance | \$ 8,750 | \$ 8,750 | (16,308) | (16,169) |
| Fund Balance - Beginning | | | 1,484,337 | 1,500,506 |
| Fund Balance - Ending | | | \$ 1,468,029 | \$ 1,484,337 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Capital Projects Fund

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

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 5,200,000 | \$ 5,200,000 | \$ 5,170,131 | \$ 4,436,303 |
| Home Rule Sales Tax | 1,839,000 | 1,839,000 | 1,667,193 | 1,756,924 |
| Intergovernmental | | | | |
| Grants | - | - | 816,499 | - |
| Interest | 15,000 | 15,000 | 65,192 | 27,466 |
| Miscellaneous | 1,500 | 1,500 | 121,009 | 40,782 |
| Total Revenues | <u>7,055,500</u> | <u>7,055,500</u> | <u>7,840,024</u> | <u>6,261,475</u> |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Other Charges | 200,000 | 189,304 | - | - |
| Equipment | 859,900 | 1,058,547 | 733,990 | 658,395 |
| Construction | 7,888,300 | 8,821,519 | 6,745,932 | 6,017,338 |
| Total Expenditures | <u>8,948,200</u> | <u>10,069,370</u> | <u>7,479,922</u> | <u>6,675,733</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | (1,892,700) | (3,013,870) | 360,102 | (414,258) |
| Other Financing Sources | | | | |
| Transfers In | <u>2,900,000</u> | <u>2,900,000</u> | <u>2,997,417</u> | <u>300,000</u> |
| Net Change in Fund Balance | <u>\$ 1,007,300</u> | <u>\$ (113,870)</u> | <u>3,357,519</u> | <u>(114,258)</u> |
| Fund Balance - Beginning | | | <u>6,365,145</u> | <u>6,479,403</u> |
| Fund Balance - Ending | | | <u>\$ 9,722,664</u> | <u>\$ 6,365,145</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Public Building - Capital Projects Fund

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

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|---------------------------------|-----------------|-----------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ - | \$ - | \$ - | 308,913 |
| Interest | 150,000 | 150,000 | 256,242 | 144,373 |
| Total Revenues | 150,000 | 150,000 | 256,242 | 453,286 |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Contractual Services | 700,000 | 714,994 | 974,033 | 452,367 |
| Capital Outlay | 17,025,000 | 17,772,963 | 7,063,464 | 5,387 |
| Debt Service | | | | |
| Interest and Fiscal Charges | - | - | - | 431,465 |
| Total Expenditures | 17,725,000 | 18,487,957 | 8,037,497 | 889,219 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | (17,575,000) | (18,337,957) | (7,781,255) | (435,933) |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | - | - | - | 32,900,000 |
| Premium on Debt Issuance | - | - | - | 2,022,953 |
| Transfer Out | (750,000) | (750,000) | (750,000) | - |
| | (750,000) | (750,000) | (750,000) | 34,922,953 |
| Net Change in Fund Balance | \$ (18,325,000) | \$ (19,087,957) | (8,531,255) | 34,487,020 |
| Fund Balance - Beginning | | | 35,819,516 | 1,332,496 |
| Fund Balance - Ending | | | \$ 27,288,261 | \$ 35,819,516 |

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund: The Motor Fuel Tax Fund is used 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: The Community Development Block Grant Fund is used to account for the revenue and expenditures associated with the 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 decent housing and a suitable living environment. The beneficiaries of CDBG must be individuals with low and/or moderate incomes.

Foreign Fire Insurance Fund: The Foreign Fire Insurance Fund is used to account for the 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: The Criminal Investigations Fund is used to account for the revenues awarded by criminal courts and expenditures for police investigations.

Municipal Parking Operations Fund: The Municipal Parking Operations Fund is used to account for the revenues and expenditures associated with the Village's parking system.

TIF Tax Reserve Fund: The TIF Tax Reserve Fund is used to account for any expenditures associated with Tax Refunds in the TIF.

TIF I South Fund: The TIF I South Fund is used to account for the 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: The TIF II North Fund is used to account for the 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: The TIF III Fund is used to account for the 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: The TIF IV Fund is used to account for the 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: The TIF V Fund is used to account for the 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.

Hickory Kensington Fund: The Hickory Kensington Fund is used to account for the revenues and expenditures associated with the formation and redevelopment of the Village's Tax Increment Finance District between Miner Street and Northwest Highway.

CAPITAL PROJECTS FUNDS

Stormwater Control Fund: The Stormwater Control Fund is used 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.

Emerald Ash Borer Fund: The Emerald Ash Borer Fund is used 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
December 31, 2017**

| | Special Revenue | Capital Projects | Totals |
|---|----------------------|---------------------|----------------------|
| ASSETS | | | |
| Cash and Investments | \$ 11,940,111 | \$ 5,475,995 | \$ 17,416,106 |
| Receivables - Net of Allowances | | | |
| Property Taxes | 755,480 | - | 755,480 |
| Other Taxes | 184,927 | - | 184,927 |
| Accrued Interest | 5,440 | 2,405 | 7,845 |
| Other | 2,277,467 | 175,696 | 2,453,163 |
| Prepays | 38,802 | - | 38,802 |
| Total Assets | <u>\$ 15,202,227</u> | <u>\$ 5,654,096</u> | <u>\$ 20,856,323</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 166,757 | \$ 287,014 | \$ 453,771 |
| Accrued Payroll | 9,430 | - | 9,430 |
| Due to Other Funds | 120,001 | - | 120,001 |
| Other Payables | 2,167,764 | - | 2,167,764 |
| Total Liabilities | <u>2,463,952</u> | <u>287,014</u> | <u>2,750,966</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 755,480 | - | 755,480 |
| Grants | 93,875 | - | 93,875 |
| Total Deferred Inflows of Resources | <u>849,355</u> | <u>-</u> | <u>849,355</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>3,313,307</u> | <u>287,014</u> | <u>3,600,321</u> |
| FUND BALANCES | | | |
| Nonspendable | 38,802 | - | 38,802 |
| Restricted | 7,960,863 | 5,367,082 | 13,327,945 |
| Assigned | 3,889,255 | - | 3,889,255 |
| Total Fund Balances | <u>11,888,920</u> | <u>5,367,082</u> | <u>17,256,002</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 15,202,227</u> | <u>\$ 5,654,096</u> | <u>\$ 20,856,323</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Nonmajor Governmental Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2017**

| | Special Revenue | Capital Projects | Totals |
|--|--------------------|---------------------|---------------|
| Revenues | | | |
| Taxes | \$ 1,355,731 | \$ - | \$ 1,355,731 |
| Intergovernmental | 2,567,797 | - | 2,567,797 |
| Charges for Services | 1,121,745 | 559,764 | 1,681,509 |
| Fines and Forfeitures | 96,060 | - | 96,060 |
| Interest | 75,416 | 54,136 | 129,552 |
| Miscellaneous | 23,660 | 123,729 | 147,389 |
| Total Revenues | 5,240,409 | 737,629 | 5,978,038 |
| Expenditures | | | |
| Public Safety | 399,214 | - | 399,214 |
| Highways and Streets | 1,304,507 | - | 1,304,507 |
| Health and Welfare | - | 165,929 | 165,929 |
| Community Development | 1,922,163 | - | 1,922,163 |
| Capital Outlay | 2,326,533 | 2,091,999 | 4,418,532 |
| Total Expenditures | 5,952,417 | 2,257,928 | 8,210,345 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (712,008) | (1,520,299) | (2,232,307) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 150,000 | 3,450,000 | 3,600,000 |
| Transfers Out | (156,355) | (5,492,017) | (5,648,372) |
| | (6,355) | (2,042,017) | (2,048,372) |
| Net Change in Fund Balances | (718,363) | (3,562,316) | (4,280,679) |
| Fund Balances - Beginning | 12,607,283 | 8,929,398 | 21,536,681 |
| Fund Balances - Ending | \$ 11,888,920 | \$ 5,367,082 | \$ 17,256,002 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****December 31, 2017**

| | Motor Fuel Tax | Community Development Block Grant | Foreign Fire Insurance | Criminal Investigations | Municipal Parking Operations |
|--|---------------------|---|------------------------------|----------------------------|------------------------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 2,185,231 | \$ 400 | \$ 467,565 | \$ 2,190,732 | \$ 4,001,820 |
| Receivables - Net of Allowances | | | | | |
| Property Taxes | - | - | - | - | - |
| Other Taxes | 165,947 | - | - | 13,889 | - |
| Accrued Interest | - | - | 332 | 370 | 3,250 |
| Other | - | 2,255,044 | 1,433 | - | 15,063 |
| Prepays | - | - | - | 38,802 | - |
| Total Assets | <u>\$ 2,351,178</u> | <u>\$ 2,255,444</u> | <u>\$ 469,330</u> | <u>\$ 2,243,793</u> | <u>\$ 4,020,133</u> |
| LIABILITIES | | | | | |
| Accounts Payable | \$ 5,267 | \$ 21,418 | \$ 40,789 | \$ 9,088 | \$ 67,709 |
| Accrued Payroll | - | 1,436 | - | - | 7,994 |
| Due to Other Funds | - | 120,001 | - | - | - |
| Other Payables | - | 2,112,589 | - | - | 55,175 |
| Total Liabilities | <u>5,267</u> | <u>2,255,444</u> | <u>40,789</u> | <u>9,088</u> | <u>130,878</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property Taxes | - | - | - | - | - |
| Grants | - | - | - | 93,875 | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>93,875</u> | <u>-</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>5,267</u> | <u>2,255,444</u> | <u>40,789</u> | <u>102,963</u> | <u>130,878</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | - | - | 38,802 | - |
| Restricted | 2,345,911 | - | 428,541 | 2,102,028 | - |
| Assigned | - | - | - | - | 3,889,255 |
| Total Fund Balances | <u>2,345,911</u> | <u>-</u> | <u>428,541</u> | <u>2,140,830</u> | <u>3,889,255</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 2,351,178</u> | <u>\$ 2,255,444</u> | <u>\$ 469,330</u> | <u>\$ 2,243,793</u> | <u>\$ 4,020,133</u> |

| TIF Tax Reserve | TIF I South | TIF II North | TIF III | TIF IV | TIF V | Hickory Kensington TIF | Totals |
|--------------------|----------------|-----------------|---------|--------------|------------|------------------------------|---------------|
| \$ 150,000 | \$ - | \$ - | \$ - | \$ 1,721,795 | \$ 648,337 | \$ 574,231 | \$ 11,940,111 |
| - | - | - | - | 361,580 | 16,160 | 377,740 | 755,480 |
| - | - | - | - | - | 5,091 | - | 184,927 |
| - | - | - | - | 954 | 434 | 100 | 5,440 |
| - | - | - | - | 5,927 | - | - | 2,277,467 |
| - | - | - | - | - | - | - | 38,802 |
| \$ 150,000 | \$ - | \$ - | \$ - | \$ 2,090,256 | \$ 670,022 | \$ 952,071 | \$ 15,202,227 |
| \$ - | \$ - | \$ - | \$ - | \$ 22,460 | \$ 26 | \$ - | \$ 166,757 |
| - | - | - | - | - | - | - | 9,430 |
| - | - | - | - | - | - | - | 120,001 |
| - | - | - | - | - | - | - | 2,167,764 |
| - | - | - | - | 22,460 | 26 | - | 2,463,952 |
| - | - | - | - | 361,580 | 16,160 | 377,740 | 755,480 |
| - | - | - | - | - | - | - | 93,875 |
| - | - | - | - | 361,580 | 16,160 | 377,740 | 849,355 |
| - | - | - | - | 384,040 | 16,186 | 377,740 | 3,313,307 |
| - | - | - | - | - | - | - | 38,802 |
| 150,000 | - | - | - | 1,706,216 | 653,836 | 574,331 | 7,960,863 |
| - | - | - | - | - | - | - | 3,889,255 |
| 150,000 | - | - | - | 1,706,216 | 653,836 | 574,331 | 11,888,920 |
| \$ 150,000 | \$ - | \$ - | \$ - | \$ 2,090,256 | \$ 670,022 | \$ 952,071 | \$ 15,202,227 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended December 31, 2017

| | Motor Fuel Tax | Community Development Block Grant | Foreign Fire Insurance | Criminal Investigations | Municipal Parking Operations |
|--|-------------------|---|------------------------------|----------------------------|------------------------------------|
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 1,915,570 | 200,106 | 131,628 | 320,493 | - |
| Charges for Services | - | - | - | - | 1,121,745 |
| Fines and Forfeitures | - | - | - | - | 96,060 |
| Interest | 2,830 | - | 3,259 | 8,697 | 32,976 |
| Miscellaneous | - | 22,160 | - | - | - |
| Total Revenues | 1,918,400 | 222,266 | 134,887 | 329,190 | 1,250,781 |
| Expenditures | | | | | |
| Current | | | | | |
| Public Safety | - | - | 151,946 | 247,268 | - |
| Highways and Streets | - | - | - | - | 1,171,824 |
| Community Development | - | 222,266 | - | - | - |
| Capital Outlay | 1,535,367 | - | - | - | 785,979 |
| Total Expenditures | 1,535,367 | 222,266 | 151,946 | 247,268 | 1,957,803 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 383,033 | - | (17,059) | 81,922 | (707,022) |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| Net Change in Fund Balances | 383,033 | - | (17,059) | 81,922 | (707,022) |
| Fund Balances - Beginning | 1,962,878 | - | 445,600 | 2,058,908 | 4,596,277 |
| Fund Balances - Ending | \$ 2,345,911 | \$ - | \$ 428,541 | \$ 2,140,830 | \$ 3,889,255 |

| TIF Tax Reserve | TIF I South | TIF II North | TIF III | TIF IV | TIF V | Hickory Kensington TIF | Totals |
|-----------------|-------------|--------------|-------------|--------------|------------|------------------------|---------------|
| \$ - | \$ - | \$ - | \$ 342,893 | \$ 504,366 | \$ 55,502 | \$ 452,970 | \$ 1,355,731 |
| - | - | - | - | - | - | - | 2,567,797 |
| - | - | - | - | - | - | - | 1,121,745 |
| - | - | - | - | - | - | - | 96,060 |
| - | - | - | 7,505 | 12,273 | 4,842 | 3,034 | 75,416 |
| - | - | - | - | 1,500 | - | - | 23,660 |
| - | - | - | 350,398 | 518,139 | 60,344 | 456,004 | 5,240,409 |
| - | - | - | - | - | - | - | 399,214 |
| - | 131,701 | 982 | - | - | - | - | 1,304,507 |
| - | - | - | 1,579,962 | 82,828 | 12,132 | 24,975 | 1,922,163 |
| - | - | - | - | 3,008 | 2,179 | - | 2,326,533 |
| - | 131,701 | 982 | 1,579,962 | 85,836 | 14,311 | 24,975 | 5,952,417 |
| - | (131,701) | (982) | (1,229,564) | 432,303 | 46,033 | 431,029 | (712,008) |
| 150,000 | - | - | - | - | - | - | 150,000 |
| - | - | - | (156,355) | - | - | - | (156,355) |
| 150,000 | - | - | (156,355) | - | - | - | (6,355) |
| 150,000 | (131,701) | (982) | (1,385,919) | 432,303 | 46,033 | 431,029 | (718,363) |
| - | 131,701 | 982 | 1,385,919 | 1,273,913 | 607,803 | 143,302 | 12,607,283 |
| \$ 150,000 | \$ - | \$ - | \$ - | \$ 1,706,216 | \$ 653,836 | \$ 574,331 | \$ 11,888,920 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|-----------------------|-----------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | | | | |
| Motor Fuel Tax Allotments | \$ - | \$ - | \$ 1,915,570 | \$ 1,912,119 |
| Interest | - | - | 2,830 | 5,092 |
| Total Revenues | - | - | 1,918,400 | 1,917,211 |
| Expenditures | | | | |
| Highway and Streets | | | | |
| Contractual Services | 30,000 | 30,000 | - | 61,095 |
| Capital Outlay | 1,905,500 | 2,180,543 | 1,535,367 | 4,055,477 |
| Total Expenditures | 1,935,500 | 2,210,543 | 1,535,367 | 4,116,572 |
| Net Change in Fund Balance | <u>\$ (1,935,500)</u> | <u>\$ (2,210,543)</u> | 383,033 | (2,199,361) |
| Fund Balance - Beginning | | | 1,962,878 | 4,162,239 |
| Fund Balance - Ending | | | <u>\$ 2,345,911</u> | <u>\$ 1,962,878</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Community Development Block Grant - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|------------------------------------|------------|-------------|------------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | | | | |
| Grant - CDBG | \$ 206,200 | \$ 206,200 | \$ 200,106 | \$ 160,229 |
| Miscellaneous | | | | |
| Program Income | 50,000 | 50,000 | 22,160 | 164,082 |
| Total Revenues | 256,200 | 256,200 | 222,266 | 324,311 |
| Expenditures | | | | |
| Community Development | | | | |
| Planning and Community Development | | | | |
| Personal Services | 57,000 | 57,000 | 57,000 | 55,937 |
| CDBG Program | | | | |
| Other Charges | 199,200 | 213,800 | 165,266 | 118,374 |
| Total Expenditures | 256,200 | 270,800 | 222,266 | 174,311 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | - | (14,600) | - | 150,000 |
| Other Financing (Uses) | | | | |
| Transfers Out | - | - | - | (150,000) |
| Net Change in Fund Balance | \$ - | \$ (14,600) | - | - |
| Fund Balance - Beginning | | | - | - |
| Fund Balance - Ending | | | \$ - | \$ - |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Foreign Fire Insurance - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2017****(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|--------------------|--------------------|-------------------|-------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | | | | |
| Foreign Fire Insurance Tax | \$ 130,000 | \$ 130,000 | \$ 131,628 | \$ 129,877 |
| Interest | 800 | 800 | 3,259 | 1,783 |
| Total Revenues | 130,800 | 130,800 | 134,887 | 131,660 |
| Expenditures | | | | |
| Public Safety | 200,000 | 200,000 | 151,946 | 168,322 |
| Net Change in Fund Balance | <u>\$ (69,200)</u> | <u>\$ (69,200)</u> | (17,059) | (36,662) |
| Fund Balance - Beginning | | | 445,600 | 482,262 |
| Fund Balance - Ending | | | <u>\$ 428,541</u> | <u>\$ 445,600</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Criminal Investigations - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual****For the Fiscal Year Ended December 31, 2017****(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 81,000 | \$ 81,000 | \$ 320,493 | \$ 196,611 |
| Interest | 2,000 | 2,000 | 8,697 | 6,614 |
| Miscellaneous | - | - | - | 250 |
| Total Revenues | 83,000 | 83,000 | 329,190 | 203,475 |
| Expenditures | | | | |
| Public Safety | 337,400 | 337,400 | 247,268 | 188,932 |
| Net Change in Fund Balance | <u>\$ (254,400)</u> | <u>\$ (254,400)</u> | 81,922 | 14,543 |
| Fund Balance - Beginning | | | 2,058,908 | 2,044,365 |
| Fund Balance - Ending | | | <u>\$ 2,140,830</u> | <u>\$ 2,058,908</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Municipal Parking Operations - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|-----------------------|-----------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 1,015,200 | \$ 1,015,200 | \$ 1,121,745 | \$ 1,019,736 |
| Fines and Forfeitures | 95,000 | 95,000 | 96,060 | 91,657 |
| Interest | 16,000 | 16,000 | 32,976 | 20,752 |
| Total Revenues | 1,126,200 | 1,126,200 | 1,250,781 | 1,132,145 |
| Expenditures | | | | |
| Highways and Streets | | | | |
| Personal Services | 525,500 | 525,500 | 494,311 | 510,810 |
| Contractual Services | 346,700 | 360,700 | 302,877 | 302,926 |
| Other Charges | 356,400 | 356,400 | 356,400 | 346,000 |
| Commodities and Supplies | 92,700 | 93,064 | 18,236 | 76,548 |
| Capital Outlay | 825,000 | 832,785 | 785,979 | 559,791 |
| Total Expenditures | 2,146,300 | 2,168,449 | 1,957,803 | 1,796,075 |
| Net Change in Fund Balance | <u>\$ (1,020,100)</u> | <u>\$ (1,042,249)</u> | (707,022) | (663,930) |
| Fund Balance - Beginning | | | 4,596,277 | 5,260,207 |
| Fund Balance - Ending | | | <u>\$ 3,889,255</u> | <u>\$ 4,596,277</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF I South - Special Revenue Fund

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

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|--------------------|---------------------|-------------|-------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$ 800 | \$ 800 | \$ - | \$ 1,534 |
| Expenditures | | | | |
| Highways and Streets | | | | |
| Contractual Services | 25,000 | 25,000 | - | 10,650 |
| Other Expenditures | - | 107,000 | 131,701 | - |
| Total Expenditures | 25,000 | 132,000 | 131,701 | 10,650 |
| Net Change in Fund Balance | <u>\$ (24,200)</u> | <u>\$ (131,200)</u> | (131,701) | (9,116) |
| Fund Balance - Beginning | | | 131,701 | 140,817 |
| Fund Balance - Ending | | | <u>\$ -</u> | <u>\$ 131,701</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF II North - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2017 |
|----------------------------|-------------|-------------------|-------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - |
| Expenditures | | | | |
| Highways and Streets | | | | |
| Other Charges | - | 1,000 | 982 | - |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ (1,000)</u> | (982) | - |
| Fund Balance - Beginning | | | 982 | 982 |
| Fund Balance - Ending | | | <u>\$ -</u> | <u>\$ 982</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF III - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|---------------------------------|-------------------|-----------------------|-------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 325,000 | \$ 325,000 | \$ 342,893 | \$ 380,869 |
| Interest | 2,000 | 2,000 | 7,505 | 5,606 |
| Total Revenues | 327,000 | 327,000 | 350,398 | 386,475 |
| Expenditures | | | | |
| Community Development | | | | |
| Contractual Services | 5,000 | 5,000 | - | 151 |
| Other Expenditures | 20,000 | 1,575,000 | 1,579,962 | 15,400 |
| Total Expenditures | 25,000 | 1,580,000 | 1,579,962 | 15,551 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | 302,000 | (1,253,000) | (1,229,564) | 370,924 |
| Other Financing (Uses) | | | | |
| Transfers Out | - | (156,400) | (156,355) | (265,000) |
| Net Change in Fund Balance | <u>\$ 302,000</u> | <u>\$ (1,409,400)</u> | (1,385,919) | 105,924 |
| Fund Balance - Beginning | | | 1,385,919 | 1,279,995 |
| Fund Balance - Ending | | | <u>\$ -</u> | <u>\$ 1,385,919</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**TIF IV - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 500,000 | \$ 500,000 | \$ 504,366 | \$ 374,307 |
| Interest | 3,000 | 3,000 | 12,273 | 6,496 |
| Miscellaneous | - | - | 1,500 | 16,970 |
| Total Revenues | 503,000 | 503,000 | 518,139 | 397,773 |
| Expenditures | | | | |
| Community Development | | | | |
| Contractual Services | 50,000 | 65,000 | 32,828 | 70,787 |
| Other Expenditures | 60,000 | 60,000 | 50,000 | - |
| Capital Outlay | 500,000 | 500,000 | 3,008 | 791,490 |
| Total Expenditures | 610,000 | 625,000 | 85,836 | 862,277 |
| Net Change in Fund Balance | <u>\$ (107,000)</u> | <u>\$ (122,000)</u> | 432,303 | (464,504) |
| Fund Balance - Beginning | | | <u>1,273,913</u> | <u>1,738,417</u> |
| Fund Balance - Ending | | | <u>\$ 1,706,216</u> | <u>\$ 1,273,913</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF V - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|---------------------|---------------------|-------------------|-------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 42,000 | \$ 42,000 | \$ 55,502 | \$ 42,573 |
| Interest | 1,000 | 1,000 | 4,842 | 1,649 |
| Total Revenues | 43,000 | 43,000 | 60,344 | 44,222 |
| Expenditures | | | | |
| Community Development | | | | |
| Contractual Services | 25,000 | 25,000 | 400 | 690 |
| Other Expenditures | 15,000 | 15,000 | 11,732 | 400 |
| Capital Outlay | 184,000 | 184,000 | 2,179 | - |
| Total Expenditures | 224,000 | 224,000 | 14,311 | 1,090 |
| Net Change in Fund Balance | <u>\$ (181,000)</u> | <u>\$ (181,000)</u> | 46,033 | 43,132 |
| Fund Balance - Beginning | | | 607,803 | 564,671 |
| Fund Balance - Ending | | | <u>\$ 653,836</u> | <u>\$ 607,803</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Hickory Kensington TIF - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------|-------------------|------------------|-------------------|-------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property Taxes | \$ 145,000 | \$ 145,000 | \$ 452,970 | \$ 150,469 |
| Interest | 500 | 500 | 3,034 | - |
| Total Revenues | 145,500 | 145,500 | 456,004 | 150,469 |
| Expenditures | | | | |
| Community Development | | | | |
| Contractual Services | 25,000 | 30,900 | 9,975 | 1,975 |
| Other Expenditures | 15,000 | 15,000 | 15,000 | 15,000 |
| Total Expenditures | 40,000 | 45,900 | 24,975 | 16,975 |
| Net Change in Fund Balance | <u>\$ 105,500</u> | <u>\$ 99,600</u> | 431,029 | 133,494 |
| Fund Balance - Beginning | | | <u>143,302</u> | <u>9,808</u> |
| Fund Balance - Ending | | | <u>\$ 574,331</u> | <u>\$ 143,302</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

**Combining Balance Sheet
December 31, 2017**

| | Stormwater Control | Emerald Ash Borer | Totals |
|------------------------------------|-----------------------|----------------------|---------------------|
| ASSETS | | | |
| Cash and Investments | \$ 5,475,995 | \$ - | \$ 5,475,995 |
| Receivables - Net of Allowances | | | |
| Accrued Interest | 2,405 | - | 2,405 |
| Other | 175,696 | - | 175,696 |
| Total Assets | <u>\$ 5,654,096</u> | <u>\$ -</u> | <u>\$ 5,654,096</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 287,014 | \$ - | \$ 287,014 |
| FUND BALANCES | | | |
| Restricted | <u>5,367,082</u> | <u>-</u> | <u>5,367,082</u> |
| Toal Liabilities and Fund Balances | <u>\$ 5,654,096</u> | <u>\$ -</u> | <u>\$ 5,654,096</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Nonmajor Governmental - Capital Projects Funds****Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2017**

| | Stormwater Control | Emerald Ash Borer | Totals |
|--|-----------------------|----------------------|--------------|
| Revenues | | | |
| Charges for Services | \$ 559,764 | \$ - | \$ 559,764 |
| Interest | 35,588 | 18,548 | 54,136 |
| Miscellaneous | 123,729 | - | 123,729 |
| Total Revenues | 719,081 | 18,548 | 737,629 |
| Expenditures | | | |
| Current | | | |
| Health and Welfare | - | 165,929 | 165,929 |
| Capital Outlay | 1,624,924 | 467,075 | 2,091,999 |
| Total Expenditures | 1,624,924 | 633,004 | 2,257,928 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (905,843) | (614,456) | (1,520,299) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 3,450,000 | - | 3,450,000 |
| Transfers Out | - | (5,492,017) | (5,492,017) |
| | 3,450,000 | (5,492,017) | (2,042,017) |
| Net Change in Fund Balance | 2,544,157 | (6,106,473) | (3,562,316) |
| Fund Balances - Beginning | 2,822,925 | 6,106,473 | 8,929,398 |
| Fund Balances - Ending | \$ 5,367,082 | \$ - | \$ 5,367,082 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Stormwater Control - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--|---------------------|---------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Charges for Services | \$ 407,600 | \$ 407,600 | \$ 559,764 | \$ - |
| Interest | 1,500 | 1,500 | 35,588 | 7,329 |
| Miscellaneous | - | - | 123,729 | 39,039 |
| Total Revenues | 409,100 | 409,100 | 719,081 | 46,368 |
| Expenditures | | | | |
| Capital Outlay | | | | |
| Construction in Progress | 1,550,000 | 2,435,865 | 1,624,924 | 894,542 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,140,900) | (2,026,765) | (905,843) | (848,174) |
| Other Financing Sources | | | | |
| Transfers In | 3,450,000 | 3,450,000 | 3,450,000 | - |
| Net Change in Fund Balance | <u>\$ 2,309,100</u> | <u>\$ 1,423,235</u> | 2,544,157 | (848,174) |
| Fund Balance - Beginning | | | <u>2,822,925</u> | <u>3,671,099</u> |
| Fund Balance - Ending | | | <u>\$ 5,367,082</u> | <u>\$ 2,822,925</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Emerald Ash Borer - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--|-----------------------|-----------------------|-------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Revenues | | | | |
| Interest | \$ - | \$ - | \$ 18,548 | \$ 24,040 |
| Expenditures | | | | |
| Health and Welfare | | | | |
| Personal Services | 235,800 | 235,800 | 158,514 | 218,844 |
| Contractual Services | 4,600 | 4,600 | 3,058 | 2,487 |
| Commodities and Supplies | 25,000 | 25,000 | 4,357 | 14,284 |
| Capital Outlay | 289,900 | 356,732 | 467,075 | 789,296 |
| Total Expenditures | 555,300 | 622,132 | 633,004 | 1,024,911 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (555,300) | (622,132) | (614,456) | (1,000,871) |
| Other Financing (Uses) | | | | |
| Transfers Out | (5,394,600) | (5,503,600) | (5,492,017) | - |
| Net Change in Fund Balance | <u>\$ (5,949,900)</u> | <u>\$ (6,125,732)</u> | (6,106,473) | (1,000,871) |
| Fund Balance - Beginning | | | 6,106,473 | 7,107,344 |
| Fund Balance - Ending | | | <u>\$ -</u> | <u>\$ 6,106,473</u> |

ENTERPRISE FUNDS

Water and Sewer Fund: The Water and Sewer Fund is used 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.

Solid Waste Disposal Fund: The Solid Waste Disposal Fund is used to account for all 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 and Events Fund: The Arts, Entertainment and Events Fund is used to account for costs associated with Village presentations or participation in art, theatrical and new community events.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Water and Sewer - Enterprise Fund****Statement of Net Position****December 31, 2017 and December 31, 2016**

| | 12/31/2017 | 12/31/2016 |
|---|--------------|--------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Investments | \$ 1,113,348 | \$ 1,564,691 |
| Receivables - Net of Allowances | | |
| Accounts - Customer | 2,519,908 | 2,374,439 |
| Accrued Interest | 1,269 | 1,380 |
| Other | 14,170 | 14,170 |
| Prepays | 7,600 | 7,600 |
| Inventories | 587,094 | 558,193 |
| Total Current Assets | 4,243,389 | 4,520,473 |
| Noncurrent Assets | | |
| Capital Assets | | |
| Nondepreciable | 2,648,950 | 2,648,950 |
| Depreciable | 101,032,822 | 99,659,858 |
| Accumulated Depreciation | (78,684,423) | (77,400,329) |
| Total Capital Assets | 24,997,349 | 24,908,479 |
| Other Assets | | |
| Investment in Joint Venture | 15,647,720 | 14,656,476 |
| Total Noncurrent Assets | 40,645,069 | 39,564,955 |
| Total Assets | 44,888,458 | 44,085,428 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Items - IMRF | 887,786 | 1,370,174 |
| Total Assets and Deferred Outflows of Resources | 45,776,244 | 45,455,602 |

| | 12/31/2017 | 12/31/2016 |
|--|---------------|---------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 812,164 | 927,087 |
| Accrued Payroll | 102,072 | 98,509 |
| Compensated Absences Payable | 47,407 | 41,948 |
| Total Current Liabilities | 961,643 | 1,067,544 |
| Long-Term Liabilities | | |
| Compensated Absences Payable | 189,627 | 167,793 |
| Net Pension Liability - IMRF | 841,805 | 4,031,263 |
| Net Other Post-Employment Benefit Obligation Payable | 159,005 | 164,652 |
| Total Long-Term Liabilities | 1,190,437 | 4,363,708 |
| Total Liabilities | 2,152,080 | 5,431,252 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Items - IMRF | 2,874,185 | 126,185 |
| Total Liabilities and Deferred Inflows of Resources | 5,026,265 | 5,557,437 |
| NET POSITION | | |
| Investment in Capital Assets | 24,997,349 | 24,908,479 |
| Unrestricted | 15,752,630 | 14,989,686 |
| Total Net Position | \$ 40,749,979 | \$ 39,898,165 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------------|---------------|---------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 19,789,600 | \$ 19,789,600 | \$ 18,740,738 | \$ 17,169,821 |
| Miscellaneous | 88,000 | 88,000 | 118,183 | 86,692 |
| Total Operating Revenues | 19,877,600 | 19,877,600 | 18,858,921 | 17,256,513 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personal Services | 6,395,800 | 6,395,800 | 6,108,788 | 6,018,849 |
| Contractual Services | 2,451,300 | 2,508,830 | 2,282,587 | 2,456,969 |
| Northwest Water Commission | 3,926,000 | 3,926,000 | 3,432,893 | 3,591,064 |
| Commodities | 839,300 | 830,300 | 720,711 | 936,160 |
| Charges for Services | 1,918,300 | 1,685,100 | 1,619,531 | 1,563,441 |
| Capital Outlay | 3,250,900 | 4,583,197 | 2,567,434 | 2,485,113 |
| Depreciation | - | - | 1,284,094 | 1,300,004 |
| Total Operating Expenses | 18,781,600 | 19,929,227 | 18,016,038 | 18,351,600 |
| Operating Income (Loss) | 1,096,000 | (51,627) | 842,883 | (1,095,087) |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 5,000 | 5,000 | 8,931 | 5,604 |
| Other Income | 15,000 | 15,000 | - | 39,990 |
| Other Expenses | - | - | - | (2,787,274) |
| | 20,000 | 20,000 | 8,931 | (2,741,680) |
| Change in Net Position | 1,116,000 | (31,627) | 851,814 | (3,836,767) |
| Net Position - Beginning | | | 39,898,165 | 43,734,932 |
| Net Position - Ending | | | \$ 40,749,979 | \$ 39,898,165 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------|------------|------------|------------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operations | | | | |
| Personal Services | | | | |
| Finance | | | | |
| Salaries | \$ 597,800 | \$ 597,800 | \$ 548,730 | \$ 536,856 |
| Overtime | 500 | 500 | - | - |
| Workers' Compensation | 1,200 | 1,200 | 1,200 | 1,200 |
| Medical Insurance | 105,000 | 105,000 | 105,000 | 128,900 |
| IMRF | 78,100 | 78,100 | 107,903 | 70,092 |
| FICA | 37,100 | 37,100 | 32,546 | 31,970 |
| Medicare | 8,700 | 8,700 | 7,611 | 7,477 |
| Water Utility Operations | | | | |
| Salaries | 3,438,400 | 3,438,400 | 3,346,305 | 3,218,661 |
| Overtime | 400,300 | 400,300 | 275,989 | 339,763 |
| Workers' Compensation | 250,500 | 250,500 | 250,500 | 243,200 |
| Medical Insurance | 673,000 | 673,000 | 673,000 | 682,900 |
| IMRF | 497,900 | 497,900 | 458,288 | 483,188 |
| FICA | 237,600 | 237,600 | 224,152 | 222,470 |
| Medicare | 55,700 | 55,700 | 52,423 | 52,172 |
| OPEB Liability | 14,000 | 14,000 | 25,141 | - |
| Total Personal Services | 6,395,800 | 6,395,800 | 6,108,788 | 6,018,849 |
| Contractual Services | | | | |
| Finance | | | | |
| Professional Services | 16,400 | 16,400 | 12,270 | 12,180 |
| Other Services | 88,000 | 88,000 | 77,398 | 86,723 |
| Travel and Training | 1,100 | 1,100 | - | - |
| Postage | 70,400 | 70,400 | 64,602 | 67,105 |
| Printing | 13,000 | 13,000 | 9,849 | 9,048 |
| IT/GIS Service Charge | 58,100 | 58,100 | 58,200 | 57,700 |
| Water Utility Operations | | | | |
| Professional Services | 59,800 | 92,872 | 42,040 | 59,548 |
| General Insurance | 62,600 | 62,600 | 62,600 | 59,600 |
| Equipment Maintenance | 51,500 | 49,758 | 18,728 | 44,880 |
| Building Maintenance | 10,000 | 10,000 | 16 | 4,985 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------------|------------|-----------|-----------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operations - Continued | | | | |
| Contractual Services - Continued | | | | |
| Water Utility Operations - Continued | | | | |
| Pumping Station Maintenance | \$ 20,000 | \$ 20,000 | \$ 7,095 | \$ 11,720 |
| Sewer Collection System | 25,000 | 25,000 | 6,351 | 13,497 |
| Water Distribution System | 370,300 | 370,300 | 336,378 | 356,866 |
| Meter Installation | 185,000 | 204,000 | 190,795 | 194,384 |
| Equipment Rental | 181,000 | 181,000 | 180,477 | 187,075 |
| Utility Services | 393,600 | 393,600 | 367,648 | 418,030 |
| Disposal Services | 73,400 | 73,400 | 66,889 | 33,322 |
| Other Services | 31,400 | 38,600 | 41,279 | 52,042 |
| Dues | 5,000 | 5,000 | 5,301 | 2,891 |
| Travel and Training | 16,600 | 16,600 | 17,610 | 16,984 |
| Postage | 1,500 | 1,500 | 143 | 151 |
| Printing | 2,500 | 2,500 | 2,446 | 995 |
| Annual Consumer Report | 6,000 | 6,000 | 1,775 | 3,109 |
| IT/GIS Service Charge | 153,300 | 153,300 | 153,900 | 153,100 |
| Claims and Refunds | 10,000 | 10,000 | 5,424 | 65,068 |
| Vehicle/Equipment Lease Charge | 507,800 | 507,800 | 507,800 | 507,500 |
| Telephone Services | 38,000 | 38,000 | 45,573 | 38,466 |
| Total Contractual Services | 2,451,300 | 2,508,830 | 2,282,587 | 2,456,969 |
| Northwest Water Commission | 3,926,000 | 3,926,000 | 3,432,893 | 3,591,064 |
| Commodities | | | | |
| Finance | | | | |
| Office Supplies and Equipment | 4,300 | 4,300 | 16 | 50 |
| Overhead Sewer Rebate Program | 100,000 | 100,000 | 91,300 | 103,551 |
| Water Utility Operations | | | | |
| Publications and Periodicals | 500 | 500 | 61 | 500 |
| Office Supplies and Equipment | 5,200 | 5,200 | 4,737 | 4,929 |
| Data System Supplies | 2,200 | 2,200 | 2,082 | 1,524 |
| Clothing | 24,700 | 24,700 | 23,696 | 20,708 |
| Petroleum Products | 64,600 | 64,600 | 58,994 | 51,207 |
| Water Distribution Supplies | 177,500 | 196,500 | 136,215 | 244,883 |
| Meter/Backflow Devices | 136,000 | 136,000 | 179,934 | 115,757 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operations - Continued | | | | |
| Commodities - Continued | | | | |
| Water Utility Operations - Continued | | | | |
| Pumping and Storage Supplies | \$ 25,000 | \$ 25,000 | \$ 22,701 | \$ 28,520 |
| Sewer and Collection Supplies | 23,500 | 23,500 | 6,440 | 98,209 |
| Agricultural Supplies | 13,300 | 13,300 | 1,380 | 3,129 |
| Building Supplies | 13,500 | 13,500 | 10,817 | 13,891 |
| Chemicals | 10,000 | 10,000 | 5,211 | 12,218 |
| Other Equipment and Supplies | 78,500 | 59,500 | 48,892 | 88,287 |
| Small Tools and Equipment | 15,500 | 15,500 | 13,480 | 14,585 |
| Street and Sidewalk Supplies | 125,000 | 125,000 | 111,808 | 123,862 |
| Other Supplies | 20,000 | 11,000 | 2,947 | 10,350 |
| Total Commodities | 839,300 | 830,300 | 720,711 | 936,160 |
| Charges for Services | | | | |
| Water Utility Operations | | | | |
| Administrative Service Charge | 1,618,300 | 1,618,300 | 1,618,300 | 1,571,200 |
| Operating Contingency | 300,000 | 66,800 | 1,231 | (9,204) |
| Other | - | - | - | 1,445 |
| Total Charges for Services | 1,918,300 | 1,685,100 | 1,619,531 | 1,563,441 |
| Capital Outlay | | | | |
| Water Utility Operations | | | | |
| Office Equipment | 15,000 | 883,092 | 48,902 | 15,298 |
| Other Equipment | 401,700 | 401,700 | 793,200 | 255,724 |
| Building Improvement | 20,000 | 20,000 | 10,036 | 69,928 |
| Construction in Progress | 2,814,200 | 3,278,405 | 3,088,260 | 2,870,647 |
| | 3,250,900 | 4,583,197 | 3,940,398 | 3,211,597 |
| Less Capital Assets Capitalized | - | - | (1,372,964) | (726,484) |
| Total Capital Outlay | 3,250,900 | 4,583,197 | 2,567,434 | 2,485,113 |
| Depreciation | - | - | 1,284,094 | 1,300,004 |
| Total Operating Expenses | \$ 18,781,600 | \$ 19,929,227 | \$ 18,016,038 | \$ 18,351,600 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Combining Statement of Net Position - Nonmajor Enterprise Funds
December 31, 2017**

| | Solid Waste Disposal | Arts, Entertainment and Events | Totals |
|---------------------------------|----------------------------|--------------------------------------|--------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 3,869,698 | \$ 356,885 | \$ 4,226,583 |
| Receivables - Net of Allowances | | | |
| Accrued Interest | 2,608 | 317 | 2,925 |
| Other | 128,595 | 3,435 | 132,030 |
| Prepays | 90,264 | - | 90,264 |
| Total Current Assets | 4,091,165 | 360,637 | 4,451,802 |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable | - | 475,200 | 475,200 |
| Depreciable | - | 2,580,746 | 2,580,746 |
| Accumulated Depreciation | - | (1,045,606) | (1,045,606) |
| Total Noncurrent Assets | - | 2,010,340 | 2,010,340 |
| Total Assets | 4,091,165 | 2,370,977 | 6,462,142 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 162,923 | 13,991 | 176,914 |
| NET POSITION | | | |
| Investment in Capital Assets | - | 2,010,340 | 2,010,340 |
| Unrestricted | 3,928,242 | 346,646 | 4,274,888 |
| Total Net Position | \$ 3,928,242 | \$ 2,356,986 | \$ 6,285,228 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Position - Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2017

| | Solid Waste Disposal | Arts, Entertainment and Events | Totals |
|----------------------------------|----------------------------|--------------------------------------|--------------|
| Operating Revenues | | | |
| Charges for Services | \$ 1,946,842 | \$ 126,166 | \$ 2,073,008 |
| Operating Expenses | | | |
| Operations | 1,283,229 | 727,838 | 2,011,067 |
| Depreciation | - | 68,019 | 68,019 |
| Total Operating Expenses | 1,283,229 | 795,857 | 2,079,086 |
| Operating Income (Loss) | 663,613 | (669,691) | (6,078) |
| Nonoperating Revenues (Expenses) | | | |
| Food and Beverage Tax | - | 656,954 | 656,954 |
| Interest Income | 29,220 | 3,665 | 32,885 |
| Other Expense | - | (80,251) | (80,251) |
| | 29,220 | 580,368 | 609,588 |
| Income (Loss) Before Transfers | 692,833 | (89,323) | 603,510 |
| Transfers Out | (500,000) | - | (500,000) |
| Change in Net Position | 192,833 | (89,323) | 103,510 |
| Net Position - Beginning | 3,735,409 | 2,446,309 | 6,181,718 |
| Net Position - Ending | \$ 3,928,242 | \$ 2,356,986 | \$ 6,285,228 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Combining Statement of Cash Flows - Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2017

| | Solid Waste Disposal | Arts, Entertainment and Events | Totals |
|--|----------------------------|--------------------------------------|---------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from Customers and Users | \$ 1,946,842 | \$ 126,166 | \$ 2,073,008 |
| Payment to Suppliers | (1,172,506) | (566,494) | (1,739,000) |
| Payment to Employees | - | (157,485) | (157,485) |
| | <u>774,336</u> | <u>(597,813)</u> | <u>176,523</u> |
| Cash Flow from Noncapital Financing Activities | | | |
| Transfers Out | (500,000) | - | (500,000) |
| Food and Beverage Tax | - | 656,954 | 656,954 |
| Other Income (Expense) | - | (80,251) | (80,251) |
| | <u>(500,000)</u> | <u>576,703</u> | <u>76,703</u> |
| Cash Flows from Investing Activities | | | |
| Interest Received | <u>29,220</u> | <u>3,665</u> | <u>32,885</u> |
| Net Change in Cash and Cash Equivalents | 303,556 | (17,445) | 286,111 |
| Cash and Cash Equivalents - Beginning | <u>3,566,142</u> | <u>374,330</u> | <u>3,940,472</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 3,869,698</u> | <u>\$ 356,885</u> | <u>\$ 4,226,583</u> |
| Reconciliation of Operating Income to Net Cash | | | |
| Provided (Used) by Operating Activities. | | | |
| Operating Income (Loss) | \$ 663,613 | \$ (669,691) | \$ (6,078) |
| Adjustments to Reconcile Operating | | | |
| Income to Net Income to Net Cash | | | |
| Provided by (Used in) Operating Activities. | | | |
| Depreciation | - | 68,019 | 68,019 |
| (Increase) Decrease in Current Assets | (52,200) | (1,978) | (54,178) |
| Increase (Decrease) in Current Liabilities | 162,923 | 5,837 | 168,760 |
| Net Cash Provided by Operating Activities | <u>\$ 774,336</u> | <u>\$ (597,813)</u> | <u>\$ 176,523</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Solid Waste Disposal - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------|------------------|---------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 1,660,000 | \$ 1,660,000 | \$ 1,946,842 | \$ 1,676,467 |
| Operating Expenses | | | | |
| Operations | 1,096,400 | 1,283,400 | 1,283,229 | 1,117,379 |
| Operating Income | 563,600 | 376,600 | 663,613 | 559,088 |
| Nonoperating Revenues | | | | |
| Interest Income | 4,000 | 4,000 | 29,220 | 15,177 |
| Income Before Transfers | 567,600 | 380,600 | 692,833 | 574,265 |
| Transfers Out | (500,000) | (500,000) | (500,000) | (500,000) |
| Change in Net Position | <u>\$ 67,600</u> | <u>\$ (119,400)</u> | 192,833 | 74,265 |
| Net Position - Beginning | | | <u>3,735,409</u> | <u>3,306,273</u> |
| Net Position - Ending | | | <u>\$ 3,928,242</u> | <u>\$ 3,380,538</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Arts, Entertainment and Events - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------------|------------|------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | | | | |
| Social Events | \$ 113,000 | \$ 116,700 | \$ 108,166 | \$ 112,121 |
| Building Management Fees | 18,000 | 72,000 | 18,000 | 18,000 |
| Total Operating Revenues | 131,000 | 188,700 | 126,166 | 130,121 |
| Operating Expenses | | | | |
| Operations | 739,500 | 830,210 | 727,838 | 684,213 |
| Depreciation | - | - | 68,019 | 68,023 |
| Total Operating Expenses | 739,500 | 830,210 | 795,857 | 752,236 |
| Operating Income (Loss) | (608,500) | (641,510) | (669,691) | (622,115) |
| Nonoperating Revenues (Expenses) | | | | |
| Food and Beverage Tax | 661,700 | 661,700 | 656,954 | 649,046 |
| Interest Income | 2,500 | 2,500 | 3,665 | 1,084 |
| Other Income | 128,000 | 128,000 | - | - |
| Other Expense | (158,800) | (158,800) | (80,251) | - |
| | 633,400 | 633,400 | 580,368 | 650,130 |
| Change in Net Position | \$ 24,900 | \$ (8,110) | (89,323) | 28,015 |
| Net Position - Beginning | | | 2,446,309 | 2,418,294 |
| Net Position - Ending | | | \$ 2,356,986 | \$ 2,446,309 |

INTERNAL SERVICE FUNDS

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

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

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

Workers' Compensation Fund: The Workers' Compensation Fund is used to account for all costs associated with self-insurance risks for general liability and property loss.

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

Technology Fund: The Technology Fund is used to account for all costs associated with providing technology services to all departments for the operations of the Village.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Combining Statement of Net Position - Internal Service Funds
December 31, 2017**

| | Health and Life Insurance | Retiree Health Insurance |
|--|---------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Investments | \$ 5,210,740 | \$ 360,870 |
| Receivables - Net of Allowances | | |
| Accrued Interest | 1,551 | - |
| Other | 16,810 | - |
| Prepaid and Inventories | - | - |
| Total Current Assets | 5,229,101 | 360,870 |
| Noncurrent Assets | | |
| Capital Assets | | |
| Depreciable | - | - |
| Accumulated Depreciation | - | - |
| Total Noncurrent Assets | - | - |
| Total Assets | 5,229,101 | 360,870 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | 358,017 | - |
| Accrued Payroll | 2,488 | - |
| Claims Payable | 883,512 | 360,870 |
| Compensated Absences Payable | 2,265 | - |
| Total Current Liabilities | 1,246,282 | 360,870 |
| Long-Term Liabilities | | |
| Compensated Absences Payable | 9,059 | - |
| Net Other Post-Employment Benefit Obligation Payable | 19,781 | - |
| Total Long-Term Liabilities | 28,840 | - |
| Total Liabilities | 1,275,122 | 360,870 |
| NET POSITION | | |
| Investment in Capital Assets | - | - |
| Unrestricted | 3,953,979 | - |
| Total Net Position | \$ 3,953,979 | \$ - |

| General Liability Insurance | Workers' Compensation | Fleet Operations | Technology | Totals |
|-----------------------------------|--------------------------|---------------------|--------------|---------------|
| \$ 2,999,002 | \$ 5,449,395 | \$ 6,108,167 | \$ 2,360,043 | \$ 22,488,217 |
| 2,162 | 4,098 | 4,954 | 1,520 | 14,285 |
| 15,650 | 26,459 | 20,749 | 6,926 | 86,594 |
| 189,013 | 351,025 | 758,839 | - | 1,298,877 |
| 3,205,827 | 5,830,977 | 6,892,709 | 2,368,489 | 23,887,973 |
| - | - | 20,568,788 | 51,095 | 20,619,883 |
| - | - | (12,083,411) | (12,561) | (12,095,972) |
| - | - | 8,485,377 | 38,534 | 8,523,911 |
| 3,205,827 | 5,830,977 | 15,378,086 | 2,407,023 | 32,411,884 |
| 10,460 | 50,004 | 37,545 | 82,834 | 538,860 |
| - | 2,052 | 30,276 | 11,504 | 46,320 |
| 209,723 | 1,129,027 | - | - | 2,583,132 |
| - | 2,568 | 19,329 | 4,714 | 28,876 |
| 220,183 | 1,183,651 | 87,150 | 99,052 | 3,197,188 |
| - | 10,274 | 77,316 | 18,854 | 115,503 |
| - | 9,889 | 120,669 | 87,785 | 238,124 |
| - | 20,163 | 197,985 | 106,639 | 353,627 |
| 220,183 | 1,203,814 | 285,135 | 205,691 | 3,550,815 |
| - | - | 8,485,377 | 38,534 | 8,523,911 |
| 2,985,644 | 4,627,163 | 6,607,574 | 2,162,798 | 20,337,158 |
| \$ 2,985,644 | \$ 4,627,163 | \$ 15,092,951 | \$ 2,201,332 | \$ 28,861,069 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds For the Fiscal Year Ended December 31, 2017

| | Health and Life Insurance | Retiree Health Insurance |
|----------------------------------|---------------------------------|--------------------------------|
| Operating Revenues | | |
| Charges for Services | \$ 9,851,267 | \$ 1,910,355 |
| Fines and Forfeitures | - | - |
| Workman's Comp Reimbursements | - | - |
| Miscellaneous | 1,285,753 | 97,089 |
| Total Operating Revenues | 11,137,020 | 2,007,444 |
| Operating Expenses | | |
| Operations | 10,526,326 | 2,543,862 |
| Depreciation | - | - |
| Total Operating Expenses | 10,526,326 | 2,543,862 |
| Operating Income (Loss) | 610,694 | (536,418) |
| Nonoperating Revenues (Expenses) | | |
| Interest Income | 6,433 | - |
| Grant Income | - | - |
| Other Income | 15,501 | - |
| | 21,934 | - |
| Income (Loss) Before Transfers | 632,628 | (536,418) |
| Transfers In | 2,000,000 | 536,418 |
| Transfers Out | (536,418) | - |
| Change in Net Position | 2,096,210 | - |
| Net Position - Beginning | 1,857,769 | - |
| Net Position - Ending | \$ 3,953,979 | \$ - |

| General Liability Insurance | Workers' Compensation | Fleet Operations | Technology | Totals |
|-----------------------------------|--------------------------|---------------------|--------------|---------------|
| \$ 820,400 | \$ 2,057,500 | \$ 3,412,991 | \$ 1,663,700 | \$ 19,716,213 |
| - | - | 54,677 | - | 54,677 |
| - | 85,512 | - | - | 85,512 |
| 99 | - | 240,118 | - | 1,623,059 |
| 820,499 | 2,143,012 | 3,707,786 | 1,663,700 | 21,479,461 |
| 729,491 | 2,461,429 | 2,064,400 | 1,444,289 | 19,769,797 |
| - | - | 1,377,161 | 5,109 | 1,382,270 |
| 729,491 | 2,461,429 | 3,441,561 | 1,449,398 | 21,152,067 |
| 91,008 | (318,417) | 266,225 | 214,302 | 327,394 |
| 21,060 | 42,660 | 51,407 | 17,406 | 138,966 |
| - | - | 59,200 | - | 59,200 |
| - | 1,985 | - | 22,682 | 40,168 |
| 21,060 | 44,645 | 110,607 | 40,088 | 238,334 |
| 112,068 | (273,772) | 376,832 | 254,390 | 565,728 |
| - | - | - | - | 2,536,418 |
| - | - | - | - | (536,418) |
| 112,068 | (273,772) | 376,832 | 254,390 | 2,565,728 |
| 2,873,576 | 4,900,935 | 14,716,119 | 1,946,942 | 26,295,341 |
| \$ 2,985,644 | \$ 4,627,163 | \$ 15,092,951 | \$ 2,201,332 | \$ 28,861,069 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**Combining Statement of Cash Flows - Internal Service Funds
For the Fiscal Year Ended December 31, 2017**

| | Health and Life Insurance | Retiree Health Insurance |
|--|---------------------------------|--------------------------------|
| Cash Flows from Operating Activities | | |
| Interfund Services Provided | \$ 11,137,020 | \$ 2,007,444 |
| Payment to Suppliers | (10,263,797) | (2,551,032) |
| Payment to Employees | (152,475) | - |
| | <u>720,748</u> | <u>(543,588)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Transfers In | 2,000,000 | 536,418 |
| Transfers Out | (536,418) | - |
| | <u>1,463,582</u> | <u>536,418</u> |
| Cash Flows from Capital and Related Financing Activities | | |
| Disposal of Capital Assets | - | - |
| Purchase of Capital Assets | - | - |
| | <u>-</u> | <u>-</u> |
| Cash Flows from Investing Activities | | |
| Interest Received | <u>6,433</u> | <u>-</u> |
| Net Change in Cash and Cash Equivalents | 2,190,763 | (7,170) |
| Cash and Cash Equivalents - Beginning | <u>3,019,977</u> | <u>368,040</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 5,210,740</u> | <u>\$ 360,870</u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | | |
| Operating Income (Loss) | \$ 610,694 | \$ (536,418) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities | | |
| Depreciation | - | - |
| Other Income (Expenses) | 15,501 | - |
| (Increase) Decrease in Current Assets | (125) | - |
| Increase (Decrease) in Current Liabilities | <u>94,678</u> | <u>(7,170)</u> |
| Net Cash Provided by Operating Activities | <u>\$ 720,748</u> | <u>\$ (543,588)</u> |

| General Liability Insurance | Workers' Compensation | Fleet Operations | Technology | Totals |
|---|---|---|---|---|
| \$ 820,499 (1,044,525) - (224,026) | \$ 2,143,012 (2,841,598) (120,224) (818,810) | \$ 3,707,786 (1,176,961) (1,495,387) 1,035,438 | \$ 1,663,700 (646,229) (740,560) 276,911 | \$ 21,479,461 (18,524,142) (2,508,646) 446,673 |
| - | - | - | - | 2,536,418 |
| - | - | - | - | (536,418) |
| - | - | - | - | 2,000,000 |
| - | - | 4,306 | - | 4,306 |
| - | - | (2,067,223) | (13,834) | (2,081,057) |
| - | - | (2,062,917) | (13,834) | (2,076,751) |
| 21,060 | 42,660 | 51,407 | 17,406 | 138,966 |
| (202,966) | (776,150) | (976,072) | 280,483 | 508,888 |
| 3,201,968 | 6,225,545 | 7,084,239 | 2,079,560 | 21,979,329 |
| \$ 2,999,002 | \$ 5,449,395 | \$ 6,108,167 | \$ 2,360,043 | \$ 22,488,217 |
| \$ 91,008 | \$ (318,417) | \$ 266,225 | \$ 214,302 | \$ 327,394 |
| - | - | 1,377,161 | 5,109 | 1,382,270 |
| - | 1,985 | 59,200 | 22,682 | 99,368 |
| (188,351) | (349,857) | (682,524) | 300 | (1,220,557) |
| (126,683) | (152,521) | 15,376 | 34,518 | (141,802) |
| \$ (224,026) | \$ (818,810) | \$ 1,035,438 | \$ 276,911 | \$ 446,673 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Health and Life Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------|----------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 8,402,200 | \$ 8,702,200 | \$ 9,851,267 | \$ 9,575,711 |
| Miscellaneous | 1,315,000 | 1,315,000 | 1,285,753 | 41,826 |
| Total Operating Revenues | 9,717,200 | 10,017,200 | 11,137,020 | 9,617,537 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personal Services | 393,600 | 393,600 | 152,475 | 149,925 |
| Contractual Services | 3,949,200 | 3,949,200 | 3,975,469 | 3,907,845 |
| Commodities | 500 | 500 | 500 | 500 |
| Insurance Claims | 5,813,800 | 5,813,800 | 6,397,882 | 5,460,122 |
| Total Operating Expenses | 10,157,100 | 10,157,100 | 10,526,326 | 9,518,392 |
| Operating Income (Loss) | (439,900) | (139,900) | 610,694 | 99,145 |
| Nonoperating Revenues | | | | |
| Interest Income | 3,000 | 3,000 | 6,433 | 4,322 |
| Other Income | - | - | 15,501 | 55,206 |
| | 3,000 | 3,000 | 21,934 | 59,528 |
| Income (Loss) Before Transfers | (436,900) | (136,900) | 632,628 | 158,673 |
| Transfers In | - | 2,000,000 | 2,000,000 | - |
| Transfers Out | (1,836,600) | (1,836,600) | (536,418) | (633,334) |
| Change in Net Position | \$ (2,273,500) | \$ 26,500 | 2,096,210 | (474,661) |
| Net Position - Beginning | | | 1,857,769 | 2,332,430 |
| Net Position - Ending | | | \$ 3,953,979 | \$ 1,857,769 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Retiree Health Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------|--------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 1,770,000 | \$ 1,770,000 | \$ 1,910,355 | \$ 1,815,223 |
| Miscellaneous Income | 130,000 | 130,000 | 97,089 | 133,828 |
| Total Operating Revenues | 1,900,000 | 1,900,000 | 2,007,444 | 1,949,051 |
| Operating Expenses | | | | |
| Operations | | | | |
| Contractual Services | 640,700 | 640,700 | 583,208 | 590,428 |
| Insurance Claims | 3,095,900 | 3,095,900 | 1,960,654 | 1,991,957 |
| Total Operating Expenses | 3,736,600 | 3,736,600 | 2,543,862 | 2,582,385 |
| Income (Loss) Before Transfers | (1,836,600) | (1,836,600) | (536,418) | (633,334) |
| Transfers In | 1,836,600 | 1,836,600 | 536,418 | 633,334 |
| Change in Net Position | \$ - | \$ - | - | - |
| Net Position - Beginning | | | - | - |
| Net Position - Ending | | | \$ - | \$ - |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

General Liability Insurance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------|---------------------|---------------------|---------------------|---------------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 820,400 | \$ 820,400 | \$ 820,400 | \$ 781,000 |
| Miscellaneous Income | - | - | 99 | 274 |
| Total Operating Revenues | 820,400 | 820,400 | 820,499 | 781,274 |
| Operating Expenses | | | | |
| Operations | | | | |
| Contractual Services | 513,500 | 513,500 | 423,885 | 299,353 |
| Insurance Claims | 572,000 | 572,000 | 305,606 | 461,893 |
| Total Operating Expenses | 1,085,500 | 1,085,500 | 729,491 | 761,246 |
| Operating Income (Loss) | (265,100) | (265,100) | 91,008 | 20,028 |
| Nonoperating Revenues | | | | |
| Interest Income | 6,000 | 6,000 | 21,060 | 12,903 |
| Change in Net Position | <u>\$ (259,100)</u> | <u>\$ (259,100)</u> | 112,068 | 32,931 |
| Net Position - Beginning | | | <u>2,873,576</u> | <u>2,840,645</u> |
| Net Position - Ending | | | <u>\$ 2,985,644</u> | <u>\$ 2,873,576</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Workers' Compensation - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)**

| | 12/31/2017 | | | 12/31/2016 |
|-------------------------------|--------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 2,057,500 | \$ 2,057,500 | \$ 2,057,500 | \$ 1,997,600 |
| Workman's Comp Reimbursements | - | - | 85,512 | 251,817 |
| Total Operating Revenues | 2,057,500 | 2,057,500 | 2,143,012 | 2,249,417 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personal Services | 151,500 | 151,500 | 120,224 | 129,267 |
| Contractual Services | 399,800 | 399,800 | 687,472 | 302,394 |
| Commodities | 1,900 | 1,900 | 902 | 1,051 |
| Insurance Claims | 1,907,300 | 1,907,300 | 1,652,831 | 1,118,952 |
| Total Operating Expenses | 2,460,500 | 2,460,500 | 2,461,429 | 1,551,664 |
| Operating Income (Loss) | (403,000) | (403,000) | (318,417) | 697,753 |
| Nonoperating Revenues | | | | |
| Interest Income | 10,500 | 10,500 | 42,660 | 23,935 |
| Other Income | - | - | 1,985 | 68 |
| | 10,500 | 10,500 | 44,645 | 24,003 |
| Change in Net Position | \$ (392,500) | \$ (392,500) | (273,772) | 721,756 |
| Net Position - Beginning | | | 4,900,935 | 4,179,179 |
| Net Position - Ending | | | \$ 4,627,163 | \$ 4,900,935 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Fleet Operations - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------------|--------------|----------------|---------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 3,413,700 | \$ 3,413,700 | \$ 3,412,991 | \$ 3,244,940 |
| Fines and Forfeitures | 30,000 | 30,000 | 54,677 | 18,254 |
| Miscellaneous Income | 147,000 | 147,000 | 240,118 | 88,498 |
| Total Operating Revenues | 3,590,700 | 3,590,700 | 3,707,786 | 3,351,692 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personal Services | 1,538,000 | 1,538,000 | 1,495,387 | 1,475,031 |
| Contractual Services | 252,100 | 252,100 | 242,830 | 307,652 |
| Commodities | 451,500 | 451,500 | 326,183 | 351,084 |
| Capital Outlay | 1,244,500 | 2,851,446 | - | 11,748 |
| Depreciation | - | - | 1,377,161 | 1,249,114 |
| Total Operating Expenses | 3,486,100 | 5,093,046 | 3,441,561 | 3,394,629 |
| Operating Income (Loss) | 104,600 | (1,502,346) | 266,225 | (42,937) |
| Nonoperating Revenues (Expenses) | | | | |
| Disposal of Capital Assets | - | - | - | 149,606 |
| Interest Income | - | - | 51,407 | 30,130 |
| Grant Income | - | - | 59,200 | - |
| Other Income | - | - | - | 14,795 |
| Other Expenses | (5,000) | (5,000) | - | - |
| | (5,000) | (5,000) | 110,607 | 194,531 |
| Change in Net Position | \$ 99,600 | \$ (1,507,346) | 376,832 | 151,594 |
| Net Position - Beginning | | | 14,716,119 | 14,564,525 |
| Net Position - Ending | | | \$ 15,092,951 | \$ 14,716,119 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Fleet Operations - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|------------------------------------|--------------|--------------|--------------|------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Personal Services | | | | |
| Salaries | \$ 1,018,200 | \$ 1,018,200 | \$ 1,002,572 | \$ 974,748 |
| Overtime | 54,500 | 54,500 | 21,641 | 41,233 |
| Workers' Compensation | 48,100 | 48,100 | 48,100 | 46,700 |
| Medical Insurance | 200,200 | 200,200 | 200,200 | 196,300 |
| IMRF | 134,900 | 134,900 | 123,130 | 129,247 |
| Social Security | 66,500 | 66,500 | 61,347 | 61,313 |
| Medicare | 15,600 | 15,600 | 14,347 | 14,339 |
| OPEB Liability | - | - | 13,919 | - |
| Compensated Absences | - | - | 10,131 | 11,151 |
| Total Personal Services | 1,538,000 | 1,538,000 | 1,495,387 | 1,475,031 |
| Contractual Services | | | | |
| Equipment Maintenance | 11,000 | 11,000 | 13,451 | 17,071 |
| Vehicle Equipment Maintenance | 155,000 | 155,000 | 150,079 | 187,834 |
| Vehicle Damage | 25,000 | 25,000 | 21,512 | 27,135 |
| Equipment Rental | 2,500 | 2,500 | 1,937 | 2,784 |
| Disposal Services | 2,000 | 2,000 | 1,384 | 1,585 |
| Other Services | - | - | 360 | 564 |
| Dues | 700 | 700 | 555 | 275 |
| Travel and Training | 4,000 | 4,000 | 4,732 | 4,592 |
| Postage | 300 | 300 | 81 | 261 |
| Printing | 500 | 500 | 357 | - |
| IT/GIS Service Charge | 23,200 | 23,200 | 23,300 | 32,800 |
| Vehicle and Equipment Lease Charge | 12,900 | 12,900 | 12,900 | 16,200 |
| Wheeling Bus Maintenance | 15,000 | 15,000 | 12,182 | 16,551 |
| Total Contractual Services | 252,100 | 252,100 | 242,830 | 307,652 |
| Commodities | | | | |
| Publications and Periodicals | 100 | 100 | - | - |
| Office Supplies and Equipment | 600 | 600 | 376 | 765 |
| Clothing | 5,800 | 5,800 | 5,923 | 4,384 |
| Petroleum Products | 1,100 | 1,100 | 845 | 488 |
| Non-Village Fuel Resale | 129,000 | 129,000 | 98,186 | 100,501 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Fleet Operations - Internal Service Fund****Schedule of Operating Expenses - Budget and Actual - Continued**
For the Fiscal Year Ended December 31, 2017
(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|------------------------------|--------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Commodities - Continued | | | | |
| Vehicle Maintenance Supplies | \$ 267,300 | \$ 267,300 | \$ 202,592 | \$ 228,723 |
| Other Equipment and Supplies | 12,000 | 12,000 | 12,704 | 12,425 |
| Small Tools and Equipment | 4,000 | 4,000 | 4,411 | 3,656 |
| Other Supplies | 1,600 | 1,600 | 1,146 | 142 |
| Operating Contingency | 30,000 | 30,000 | - | - |
| Total Commodities | 451,500 | 451,500 | 326,183 | 351,084 |
| Capital Outlay | 1,244,500 | 2,851,446 | 2,067,223 | 520,482 |
| Less Nonoperating Items | | | | |
| Capital Assets Capitalized | - | - | (2,067,223) | (508,734) |
| Total Capital Outlay | 1,244,500 | 2,851,446 | - | 11,748 |
| Depreciation | - | - | 1,377,161 | 1,249,114 |
| Total Operating Expenses | \$ 3,486,100 | \$ 5,093,046 | \$ 3,441,561 | \$ 3,394,629 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Technology - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|----------------------------------|--------------|--------------|--------------|--------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Operating Revenues | | | | |
| Charges for Services | \$ 1,663,700 | \$ 1,663,700 | \$ 1,663,700 | \$ 1,619,396 |
| Operating Expenses | | | | |
| Operations | | | | |
| Personal Services | 878,400 | 788,400 | 740,560 | 797,270 |
| Contractual Services | 457,100 | 577,383 | 500,427 | 417,032 |
| Commodities | 81,100 | 81,100 | 62,947 | 64,374 |
| Capital Outlay | 241,800 | 241,800 | 140,355 | 219,991 |
| Depreciation | - | - | 5,109 | 3,726 |
| Total Operating Expenses | 1,658,400 | 1,688,683 | 1,449,398 | 1,502,393 |
| Operating Income (Loss) | 5,300 | (24,983) | 214,302 | 117,003 |
| Nonoperating Revenues (Expenses) | | | | |
| Interest Income | 6,000 | 6,000 | 17,406 | 8,790 |
| Other Income | - | - | 22,682 | 11,940 |
| Other Expenses | (5,000) | - | - | - |
| | 1,000 | 6,000 | 40,088 | 20,730 |
| Change in Net Position | \$ 6,300 | \$ (18,983) | 254,390 | 137,733 |
| Net Position - Beginning | | | 1,946,942 | 1,809,209 |
| Net Position - Ending | | | \$ 2,201,332 | \$ 1,946,942 |

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund: The Police Pension Fund is used 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: The Firefighters' Pension Fund is used 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.

AGENCY FUNDS

Guaranty Deposit Fund: The Guaranty Deposit Fund is used 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 Deposit Fund: The Escrow Deposit Fund is used 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 Collections Fund: The Special Assessments Collection Fund is used 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**Pension Trust Funds****Combining Statement of Fiduciary Net Position
December 31, 2017**

| | Police Pension | Firefighters' Pension | Totals |
|---------------------------------------|-------------------|--------------------------|----------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 6,791,625 | \$ 1,970,264 | \$ 8,761,889 |
| Investments | | | |
| U.S. Treasury Obligations | 11,385,311 | 7,026,210 | 18,411,521 |
| U.S. Agency Obligations | 2,426,061 | 8,236,973 | 10,663,034 |
| U.S. Property Real Estate | - | 13,320,165 | 13,320,165 |
| Corporate and Foreign Corporate Bonds | 24,880,759 | 20,620,764 | 45,501,523 |
| Municipal Bonds | 159,390 | 450,684 | 610,074 |
| Common Stock | 43,950,908 | 5,503,474 | 49,454,382 |
| Mutual Funds | 40,579,638 | 52,427,136 | 93,006,774 |
| Receivables - Net of Allowance | | | |
| Accrued Interest | 224,677 | 251,588 | 476,265 |
| Other | 325 | 348 | 673 |
| Due from Other Funds | 51,256 | 27,088 | 78,344 |
| Total Assets | 130,449,950 | 109,834,694 | 240,284,644 |
| LIABILITIES | | | |
| Other Payables | 12,696 | - | 12,696 |
| NET POSITION | | | |
| Net Position Restricted for Pensions | \$ 130,437,254 | \$ 109,834,694 | \$ 240,271,948 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2017

| | Police Pension | Firefighters' Pension | Totals |
|--------------------------------------|-------------------|--------------------------|----------------|
| Additions | | | |
| Contributions - Employer | \$ 3,994,000 | \$ 4,889,000 | \$ 8,883,000 |
| Contributions - Plan Members | 1,151,412 | 1,021,422 | 2,172,834 |
| Contributions - Other | 1,127 | 5,406 | 6,533 |
| Total Contributions | 5,146,539 | 5,915,828 | 11,062,367 |
| Investment Income | | | |
| Interest Earned | 2,376,482 | 2,025,712 | 4,402,194 |
| Net Change in Fair Value | 15,063,226 | 10,888,611 | 25,951,837 |
| | 17,439,708 | 12,914,323 | 30,354,031 |
| Less Investment Expenses | (341,612) | (233,841) | (575,453) |
| Net Investment Income | 17,098,096 | 12,680,482 | 29,778,578 |
| Total Additions | 22,244,635 | 18,596,310 | 40,840,945 |
| Deductions | | | |
| Administration | 43,276 | 27,283 | 70,559 |
| Benefits and Refunds | 6,607,121 | 6,552,552 | 13,159,673 |
| Total Deductions | 6,650,397 | 6,579,835 | 13,230,232 |
| Change in Fiduciary Net Position | 15,594,238 | 12,016,475 | 27,610,713 |
| Net Position Restricted for Pensions | | | |
| Beginning | 114,843,016 | 97,818,219 | 212,661,235 |
| Ending | \$ 130,437,254 | \$ 109,834,694 | \$ 240,271,948 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2017 (with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------------|--------------|--------------|----------------|----------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Additions | | | | |
| Contributions - Employer | \$ 3,994,000 | \$ 3,994,000 | \$ 3,994,000 | \$ 4,500,000 |
| Contributions - Plan Members | 1,150,000 | 1,150,000 | 1,151,412 | 1,036,023 |
| Contributions - Other | - | - | 1,127 | 355,856 |
| Total Contributions | 5,144,000 | 5,144,000 | 5,146,539 | 5,891,879 |
| Investment Income | | | | |
| Interest Earned | 2,150,000 | 2,150,000 | 2,376,482 | 2,360,508 |
| Net Change in Fair Value | 1,700,000 | 1,700,000 | 15,063,226 | 4,639,126 |
| | 3,850,000 | 3,850,000 | 17,439,708 | 6,999,634 |
| Less Investment Expenses | (315,000) | (315,000) | (341,612) | (314,427) |
| Net Investment Income | 3,535,000 | 3,535,000 | 17,098,096 | 6,685,207 |
| Total Additions | 8,679,000 | 8,679,000 | 22,244,635 | 12,577,086 |
| Deductions | | | | |
| Administration | 59,200 | 59,200 | 43,276 | 37,365 |
| Benefits and Refunds | 6,542,000 | 6,619,000 | 6,607,121 | 6,053,746 |
| Total Deductions | 6,601,200 | 6,678,200 | 6,650,397 | 6,091,111 |
| Change in Fiduciary Net Position | \$ 2,077,800 | \$ 2,000,800 | 15,594,238 | 6,485,975 |
| Net Position Restricted for Pensions | | | | |
| Beginning | | | 114,843,016 | 108,357,041 |
| Ending | | | \$ 130,437,254 | \$ 114,843,016 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2017

(with Comparative Actuals for the Year Ended December 31, 2016)

| | 12/31/2017 | | | 12/31/2016 |
|--------------------------------------|--------------|--------------|----------------|---------------|
| | Budget | | Actual | Actual |
| | Original | Final | | |
| Additions | | | | |
| Contributions - Employer | \$ 4,889,000 | \$ 4,889,000 | \$ 4,889,000 | \$ 5,100,000 |
| Contributions - Plan Members | 1,010,000 | 1,010,000 | 1,021,422 | 989,862 |
| Contributions - Other | - | - | 5,406 | 20 |
| Total Contributions | 5,899,000 | 5,899,000 | 5,915,828 | 6,089,882 |
| Investment Income | | | | |
| Interest Earned | 1,900,000 | 1,900,000 | 2,025,712 | 1,775,526 |
| Net Change in Fair Value | 2,000,000 | 2,000,000 | 10,888,611 | 5,355,813 |
| | 3,900,000 | 3,900,000 | 12,914,323 | 7,131,339 |
| Less Investment Expenses | (214,400) | (214,400) | (233,841) | (215,952) |
| Net Investment Income | 3,685,600 | 3,685,600 | 12,680,482 | 6,915,387 |
| Total Additions | 9,584,600 | 9,584,600 | 18,596,310 | 13,005,269 |
| Deductions | | | | |
| Administration | 60,000 | 60,000 | 27,283 | 62,158 |
| Benefits and Refunds | 6,683,000 | 6,718,000 | 6,552,552 | 6,222,695 |
| Total Deductions | 6,743,000 | 6,778,000 | 6,579,835 | 6,284,853 |
| Change in Fiduciary Net Position | \$ 2,841,600 | \$ 2,806,600 | 12,016,475 | 6,720,416 |
| Net Position Restricted for Pensions | | | | |
| Beginning | | | 97,818,219 | 91,097,803 |
| Ending | | | \$ 109,834,694 | \$ 97,818,219 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2017**

See Following Page

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**Agency Funds****Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2017**

| | Beginning Balances | Additions | Deductions | Ending Balances |
|------------------------------|-----------------------|---------------------|---------------------|---------------------|
| All Funds | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 2,258,414 | \$ 2,442,039 | \$ 2,258,414 | \$ 2,442,039 |
| Accounts Receivable | 20,184 | 6,114 | 19,564 | 6,734 |
| Accrued Interest Receivable | 491 | - | - | 491 |
| Total Assets | <u>\$ 2,279,089</u> | <u>\$ 2,448,153</u> | <u>\$ 2,277,978</u> | <u>\$ 2,449,264</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 12,411 | \$ 22,650 | \$ 12,411 | \$ 22,650 |
| Deposits Payable | 2,266,661 | 2,426,356 | 2,266,420 | 2,426,597 |
| Other Payables | 17 | - | - | 17 |
| Total Liabilities | <u>\$ 2,279,089</u> | <u>\$ 2,449,006</u> | <u>\$ 2,278,831</u> | <u>\$ 2,449,264</u> |
| Guaranty Deposit Fund | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 479,334 | \$ 582,603 | \$ 479,334 | \$ 582,603 |
| Accrued Interest Receivable | 250 | - | - | 250 |
| Total Assets | <u>\$ 479,584</u> | <u>\$ 582,603</u> | <u>\$ 479,334</u> | <u>\$ 582,853</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 4,700 | \$ 20,650 | \$ 4,700 | \$ 20,650 |
| Deposits Payable | 474,884 | 562,203 | 474,884 | 562,203 |
| Total Liabilities | <u>\$ 479,584</u> | <u>\$ 582,853</u> | <u>\$ 479,584</u> | <u>\$ 582,853</u> |

| | Beginning Balances | Additions | Deductions | Ending Balances |
|--|-----------------------|---------------------|---------------------|---------------------|
| Escrow Deposits Fund | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 1,205,975 | \$ 1,270,946 | \$ 1,205,975 | \$ 1,270,946 |
| Accounts Receivable | 620 | - | - | 620 |
| Total Assets | <u>\$ 1,206,595</u> | <u>\$ 1,270,946</u> | <u>\$ 1,205,975</u> | <u>\$ 1,271,566</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 7,711 | \$ 2,000 | \$ 7,711 | \$ 2,000 |
| Deposits Payable | 1,198,867 | 1,269,549 | 1,198,867 | 1,269,549 |
| Other Payables | 17 | - | - | 17 |
| Total Liabilities | <u>\$ 1,206,595</u> | <u>\$ 1,271,549</u> | <u>\$ 1,206,578</u> | <u>\$ 1,271,566</u> |
| Special Assessments Collection Fund | | | | |
| ASSETS | | | | |
| Cash and Investments | \$ 573,105 | \$ 588,490 | \$ 573,105 | \$ 588,490 |
| Accounts Receivable | 19,564 | 6,114 | 19,564 | 6,114 |
| Accrued Interest Receivable | 241 | - | - | 241 |
| Total Assets | <u>\$ 592,910</u> | <u>\$ 594,604</u> | <u>\$ 592,669</u> | <u>\$ 594,845</u> |
| LIABILITIES | | | | |
| Deposits Payable | <u>\$ 592,910</u> | <u>\$ 594,604</u> | <u>\$ 592,669</u> | <u>\$ 594,845</u> |

SUPPLEMENTAL SCHEDULES

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2006A December 31, 2017

| | |
|-------------------------|--|
| Date of Issue | October 30, 2006 |
| Date of Maturity | December 1, 2018 |
| Authorized Issue | \$16,515,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | The Bank of New York Midwest Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|--------------|-----------|------------|-----------------|----------|--------|----------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 2017 | \$ 345,000 | \$ 13,800 | \$ 358,800 | 2018 | \$ 6,900 | 2018 | \$ 6,900 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010

December 31, 2017

| | |
|-------------------------|--|
| 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% - 3.25% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | The Bank of New York Midwest Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|---------------------|-------------------|---------------------|-----------------|------------------|--------|------------------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 2017 | \$ 245,000 | \$ 40,676 | \$ 285,676 | 2018 | \$ 20,338 | 2018 | \$ 20,338 |
| 2018 | 255,000 | 33,326 | 288,326 | 2019 | 16,663 | 2019 | 16,663 |
| 2019 | 260,000 | 25,676 | 285,676 | 2020 | 12,838 | 2020 | 12,838 |
| 2020 | 270,000 | 17,876 | 287,876 | 2021 | 8,938 | 2021 | 8,938 |
| 2021 | 280,000 | 9,100 | 289,100 | 2022 | 4,550 | 2022 | 4,550 |
| | <u>\$ 1,310,000</u> | <u>\$ 126,654</u> | <u>\$ 1,436,654</u> | | <u>\$ 63,327</u> | | <u>\$ 63,327</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2011 December 31, 2017

| | |
|-------------------------|--|
| 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% - 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | The Bank of New York Midwest Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|---------------------|---------------------|----------------------|-----------------|---------------------|--------|---------------------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 2017 | \$ 65,000 | \$ 377,650 | \$ 442,650 | 2018 | \$ 188,825 | 2018 | \$ 188,825 |
| 2018 | 75,000 | 375,862 | 450,862 | 2019 | 187,931 | 2019 | 187,931 |
| 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>\$ 9,485,000</u> | <u>\$ 2,632,712</u> | <u>\$ 12,117,712</u> | | <u>\$ 1,316,356</u> | | <u>\$ 1,316,356</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2012A December 31, 2017

| | |
|-------------------------|--|
| Date of Issue | February 1, 2012 |
| Date of Maturity | December 1, 2022 |
| Authorized Issue | \$9,670,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rate | 2.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | The Bank of New York Midwest Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|---------------------|-------------------|---------------------|-----------------|-------------------|--------|-------------------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 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>\$ 7,520,000</u> | <u>\$ 489,100</u> | <u>\$ 8,009,100</u> | | <u>\$ 244,550</u> | | <u>\$ 244,550</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds of 2013

December 31, 2017

| | |
|-------------------------|--|
| Date of Issue | December 1, 2013 |
| Date of Maturity | December 1, 2019 |
| Authorized Issue | \$7,755,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% - 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | The Bank of New York Midwest Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|---------------------|-------------------|---------------------|-----------------|-------------------|--------|-------------------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 2017 | \$ 1,530,000 | \$ 141,200 | \$ 1,671,200 | 2018 | \$ 70,600 | 2018 | \$ 70,600 |
| 2018 | 2,000,000 | 80,000 | 2,080,000 | 2019 | 40,000 | 2019 | 40,000 |
| | <u>\$ 3,530,000</u> | <u>\$ 221,200</u> | <u>\$ 3,751,200</u> | | <u>\$ 110,600</u> | | <u>\$ 110,600</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2014

December 31, 2017

| | |
|-------------------------|--|
| Date of Issue | October 1, 2014 |
| Date of Maturity | December 1, 2020 |
| Authorized Issue | \$7,625,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% - 3.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | UMB Bank, National Association, Kansas City MO |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|---------------------|-------------------|---------------------|-----------------|-------------------|--------|-------------------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 2017 | \$ 1,390,000 | \$ 110,550 | \$ 1,500,550 | 2018 | \$ 55,275 | 2018 | \$ 55,275 |
| 2018 | 1,435,000 | 68,850 | 1,503,850 | 2019 | 34,425 | 2019 | 34,425 |
| 2019 | 860,000 | 25,800 | 885,800 | 2020 | 12,900 | 2020 | 12,900 |
| | <u>\$ 3,685,000</u> | <u>\$ 205,200</u> | <u>\$ 3,890,200</u> | | <u>\$ 102,600</u> | | <u>\$ 102,600</u> |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Bonds of 2016

December 31, 2017

| | |
|-------------------------|--------------------------|
| Date of Issue | February 10, 2016 |
| Date of Maturity | December 1, 2036 |
| Authorized Issue | \$32,900,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 3.00% - 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Depository Trust Company |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax Levy Year | Requirements | | | Interest Due on | | | |
|---------------------|----------------------|----------------------|----------------------|-----------------|---------------------|--------|---------------------|
| | Principal | Interest | Totals | Jun. 1 | Amount | Dec. 1 | Amount |
| 2017 | \$ 665,000 | \$ 1,094,200 | \$ 1,759,200 | 2018 | \$ 547,100 | 2018 | \$ 547,100 |
| 2018 | 645,000 | 1,074,250 | 1,719,250 | 2019 | 537,125 | 2019 | 537,125 |
| 2019 | 2,240,000 | 1,054,900 | 3,294,900 | 2020 | 527,450 | 2020 | 527,450 |
| 2020 | 1,585,000 | 987,700 | 2,572,700 | 2021 | 493,850 | 2021 | 493,850 |
| 2021 | 1,595,000 | 940,150 | 2,535,150 | 2022 | 470,075 | 2022 | 470,075 |
| 2022 | 1,530,000 | 892,300 | 2,422,300 | 2023 | 446,150 | 2023 | 446,150 |
| 2023 | 1,605,000 | 846,400 | 2,451,400 | 2024 | 423,200 | 2024 | 423,200 |
| 2024 | 1,580,000 | 798,250 | 2,378,250 | 2025 | 399,125 | 2025 | 399,125 |
| 2025 | 1,670,000 | 750,850 | 2,420,850 | 2026 | 375,425 | 2026 | 375,425 |
| 2026 | 1,710,000 | 700,750 | 2,410,750 | 2027 | 350,375 | 2027 | 350,375 |
| 2027 | 1,760,000 | 649,450 | 2,409,450 | 2028 | 324,725 | 2028 | 324,725 |
| 2028 | 1,810,000 | 596,650 | 2,406,650 | 2029 | 298,325 | 2029 | 298,325 |
| 2029 | 1,865,000 | 542,350 | 2,407,350 | 2030 | 271,175 | 2030 | 271,175 |
| 2030 | 1,920,000 | 486,400 | 2,406,400 | 2031 | 243,200 | 2031 | 243,200 |
| 2031 | 1,980,000 | 428,800 | 2,408,800 | 2032 | 214,400 | 2032 | 214,400 |
| 2032 | 2,060,000 | 349,600 | 2,409,600 | 2033 | 174,800 | 2033 | 174,800 |
| 2033 | 2,140,000 | 267,200 | 2,407,200 | 2034 | 133,600 | 2034 | 133,600 |
| 2034 | 2,225,000 | 181,600 | 2,406,600 | 2035 | 90,800 | 2035 | 90,800 |
| 2035 | 2,315,000 | 92,600 | 2,407,600 | 2036 | 46,300 | 2036 | 46,300 |
| | <u>\$ 32,900,000</u> | <u>\$ 12,734,400</u> | <u>\$ 45,634,400</u> | | <u>\$ 6,367,200</u> | | <u>\$ 6,367,200</u> |

STATISTICAL SECTION

(Unaudited)

This part of the 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.

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.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

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.

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.

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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
For the Fiscal Year Ended December 31, 2017 (Unaudited)**

See Following Page

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Net Position by Component - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| | 4/30/2009 | 4/30/2010 | 4/30/2011 | 4/30/2012 |
|--------------------------------|----------------|----------------|----------------|----------------|
| Governmental Activities | | | | |
| Net Investment in | | | | |
| Capital Assets | \$ 110,917,033 | \$ 111,371,613 | \$ 113,491,072 | \$ 116,954,018 |
| Restricted | 8,198,492 | 9,270,651 | 9,452,095 | 16,263,555 |
| Unrestricted | 44,189,397 | 40,570,428 | 44,485,939 | 41,494,128 |
| Total Governmental Activities | 163,304,922 | 161,212,692 | 167,429,106 | 174,711,701 |
| Business-Type Activities | | | | |
| Net Investment in | | | | |
| Capital Assets | 36,981,008 | 35,842,122 | 34,272,550 | 32,777,835 |
| Unrestricted | 24,524,508 | 23,450,192 | 22,632,902 | 22,739,490 |
| Total Business-Type Activities | 61,505,516 | 59,292,314 | 56,905,452 | 55,517,325 |
| Primary Government | | | | |
| Net Investment in | | | | |
| Capital Assets | 147,898,041 | 147,213,735 | 147,763,622 | 149,731,853 |
| Restricted | 8,198,492 | 9,270,651 | 9,452,095 | 16,263,555 |
| Unrestricted | 68,713,905 | 64,020,620 | 67,118,841 | 64,233,618 |
| Total Primary Government | \$ 224,810,438 | \$ 220,505,006 | \$ 224,334,558 | \$ 230,229,026 |

Data Source: Audited Financial Statements

| 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 121,113,330 | \$ 127,435,505 | \$ 126,928,744 | \$ 134,100,576 | \$ 142,096,216 | \$ 149,053,177 |
| 17,517,983 | 16,796,342 | 23,943,432 | 21,979,506 | 18,509,205 | 24,218,253 |
| 44,224,002 | 45,211,400 | 44,627,697 | (41,302,760) | (39,209,690) | (44,770,477) |
| 182,855,315 | 189,443,247 | 195,499,873 | 114,777,322 | 121,395,731 | 128,500,953 |
| 31,486,324 | 30,288,702 | 28,889,401 | 27,613,381 | 26,986,838 | 27,007,689 |
| 23,159,732 | 23,285,911 | 22,803,814 | 22,200,989 | 19,093,045 | 20,027,518 |
| 54,646,056 | 53,574,613 | 51,693,215 | 49,814,370 | 46,079,883 | 47,035,207 |
| 152,599,654 | 157,724,207 | 155,818,145 | 161,713,957 | 169,083,054 | 176,060,866 |
| 17,517,983 | 16,796,342 | 23,943,432 | 21,979,506 | 18,509,205 | 24,218,253 |
| 67,383,734 | 68,497,311 | 67,431,511 | (19,101,771) | (20,116,645) | (24,742,959) |
| \$ 237,501,371 | \$ 243,017,860 | \$ 247,193,088 | \$ 164,591,692 | \$ 167,475,614 | \$ 175,536,160 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| | 4/30/2009 | 4/30/2010 | 4/30/2011 | 4/30/2012 |
|---|-----------------|-----------------|-----------------|-----------------|
| Expenses | | | | |
| Governmental Activities | | | | |
| General Government | \$ 7,979,137 | \$ 7,563,734 | \$ 5,193,600 | \$ 6,257,562 |
| Public Safety | 38,545,819 | 39,868,746 | 40,266,562 | 41,805,406 |
| Highways and Streets | 20,744,929 | 17,504,839 | 17,159,903 | 17,923,609 |
| Community Development | 6,722,697 | 7,016,350 | 6,334,050 | 5,838,531 |
| Health and Welfare | 2,504,784 | 2,413,690 | 1,888,832 | 1,948,340 |
| Interest on Long-Term Debt | 3,273,165 | 3,037,995 | 2,583,611 | 2,514,126 |
| Total Governmental Activities Expenses | 79,770,531 | 77,405,354 | 73,426,558 | 76,287,574 |
| Business-Type Activities | | | | |
| Water and Sewer | 14,582,291 | 14,305,939 | 15,251,729 | 14,914,914 |
| Solid Waste Disposal | 1,541,944 | 1,422,141 | 1,492,582 | 1,529,106 |
| Arts, Entertainment & Events | 383,033 | 440,953 | 475,793 | 819,933 |
| Total Business-Type Activities Expenses | 16,507,268 | 16,169,033 | 17,220,104 | 17,263,953 |
| Total Primary Government Expenses | \$ 96,277,799 | \$ 93,574,387 | \$ 90,646,662 | \$ 93,551,527 |
| Program Revenues | | | | |
| Governmental Activities | | | | |
| Charges for Services | | | | |
| General Government | \$ 4,300,002 | \$ 4,434,038 | \$ 4,325,464 | \$ 4,582,832 |
| Public Safety | 3,109,565 | 2,864,781 | 2,975,966 | 2,895,316 |
| Highways and Streets | 2,899,142 | 2,892,202 | 2,935,937 | 3,017,043 |
| Community Development | 838,830 | 976,909 | 816,738 | 901,216 |
| Health and Welfare | 68,435 | 56,974 | 51,551 | 42,754 |
| Operating Grants and Contributions | 2,808,197 | 2,809,350 | 2,826,571 | 2,638,083 |
| Capital Grants and Contributions | 790,450 | 108,675 | 866,648 | 574,058 |
| Total Governmental Activities Program Revenues | 14,814,621 | 14,142,929 | 14,798,875 | 14,651,302 |
| Business-Type Activities | | | | |
| Charges for Services | | | | |
| Water and Sewer | 11,789,339 | 11,908,829 | 12,730,188 | 12,960,678 |
| Solid Waste Disposal | 1,629,122 | 1,627,737 | 1,406,829 | 1,701,884 |
| Art, Entertainment & Events | 32,351 | 30,375 | 33,550 | 132,209 |
| Total Business-Type Activities Program Revenues | 13,450,812 | 13,566,941 | 14,170,567 | 14,794,771 |
| Total Primary Government Program Revenues | \$ 28,265,433 | \$ 27,709,870 | \$ 28,969,442 | \$ 29,446,073 |
| Net Revenue (Expenses) | | | | |
| Governmental Activities | \$ (64,955,910) | \$ (63,262,425) | \$ (58,627,683) | \$ (61,636,272) |
| Business-Type Activities | (3,056,456) | (2,602,092) | (3,049,537) | (2,469,182) |
| Total Primary Government Net Revenue (Expense) | \$ (68,012,366) | \$ (65,864,517) | \$ (61,677,220) | \$ (64,105,454) |

| 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 5,373,174 | \$ 5,194,272 | \$ 6,959,759 | \$ 5,640,281 | \$ 3,445,379 | \$ 5,608,591 |
| 43,129,040 | 43,866,734 | 44,806,959 | 42,999,869 | 48,437,685 | 46,568,027 |
| 19,692,580 | 23,532,913 | 22,995,777 | 11,731,508 | 20,548,648 | 19,554,637 |
| 5,734,706 | 2,642,799 | 2,288,259 | 2,951,484 | 7,143,680 | 8,003,031 |
| 2,137,300 | 5,337,880 | 5,878,038 | 4,396,910 | 3,130,134 | 4,031,072 |
| 1,896,757 | 1,563,358 | 1,532,740 | 888,689 | 2,097,362 | 1,971,409 |
| 77,963,557 | 82,137,956 | 84,461,532 | 68,608,741 | 84,802,888 | 85,736,767 |
| 15,722,016 | 15,537,127 | 16,252,073 | 12,744,878 | 21,138,874 | 18,016,038 |
| 1,312,457 | 1,230,310 | 1,274,638 | 961,329 | 1,117,379 | 1,283,229 |
| 511,705 | 698,518 | 991,928 | 570,146 | 752,236 | 876,108 |
| 17,546,178 | 17,465,955 | 18,518,639 | 14,276,353 | 23,008,489 | 20,175,375 |
| \$ 95,509,735 | \$ 99,603,911 | \$ 102,980,171 | \$ 82,885,094 | \$ 107,811,377 | \$ 105,912,142 |
| \$ 4,978,268 | \$ 4,337,694 | \$ 4,129,774 | \$ 3,105,322 | \$ 4,637,586 | \$ 4,356,699 |
| 2,929,501 | 3,050,316 | 3,072,951 | 2,088,265 | 2,979,377 | 2,963,757 |
| 3,016,225 | 3,253,819 | 3,213,901 | 2,322,624 | 3,218,925 | 3,885,739 |
| 1,681,786 | 31,751 | 43,722 | 22,680 | 1,592,920 | 1,575,254 |
| 44,896 | 1,375,624 | 1,474,210 | 1,055,370 | 22,905 | 21,214 |
| 2,953,559 | 2,787,401 | 4,662,077 | 1,834,378 | - | 2,605,115 |
| 1,821,768 | 1,501,300 | 133,187 | - | 2,464,157 | 875,699 |
| 17,426,003 | 16,337,905 | 16,729,822 | 10,428,639 | 14,915,870 | 16,283,477 |
| 14,344,566 | 14,232,051 | 14,125,562 | 10,323,750 | 17,256,513 | 18,858,921 |
| 1,593,605 | 1,575,908 | 1,759,911 | 1,310,604 | 1,676,467 | 1,946,842 |
| 74,611 | 149,351 | 54,851 | 85,288 | 130,121 | 126,166 |
| 16,012,782 | 15,957,310 | 15,940,324 | 11,719,642 | 19,063,101 | 20,931,929 |
| \$ 33,438,785 | \$ 32,295,215 | \$ 32,670,146 | \$ 22,148,281 | \$ 33,978,971 | \$ 37,215,406 |
| \$ (60,537,554) | \$ (65,800,051) | \$ (67,731,710) | \$ (58,180,102) | \$ (69,887,018) | \$ (69,453,290) |
| (1,533,396) | (1,508,645) | (2,578,315) | (2,556,711) | (3,945,388) | 756,554 |
| \$ (62,070,950) | \$ (67,308,696) | \$ (70,310,025) | \$ (60,736,813) | \$ (73,832,406) | \$ (68,696,736) |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years - Continued For the Fiscal Year Ended December 31, 2017 (Unaudited)

| | 4/30/2009 | 4/30/2010 | 4/30/2011 | 4/30/2012 |
|---|---------------|---------------|---------------|---------------|
| General Revenues and Other | | | | |
| Changes in Net Position | | | | |
| Governmental Activities | | | | |
| Taxes | | | | |
| Property | \$ 29,517,038 | \$ 29,321,029 | \$ 28,710,137 | \$ 30,715,129 |
| Sales | 10,446,148 | 9,570,850 | 10,369,871 | 10,519,988 |
| Home Rule Sales | 5,244,404 | 5,139,660 | 6,574,175 | 6,897,071 |
| Replacement | 464,953 | 411,138 | 455,733 | 410,962 |
| Use | 1,085,127 | 915,224 | 1,103,427 | 1,101,284 |
| Telecommunications | 4,419,759 | 4,158,597 | 3,772,498 | 4,269,272 |
| Utility | - | 917,319 | 4,051,320 | 5,265,951 |
| Hotel | 1,360,158 | 893,169 | 814,905 | 885,190 |
| Food and Beverage | 1,784,132 | 1,681,355 | 1,674,096 | 1,750,023 |
| Foreign Fire Insurance | 90,271 | 104,658 | 117,835 | 123,597 |
| Other | 43,066 | 46,465 | 52,554 | 40,782 |
| Shared Income Tax | 7,010,647 | 6,111,105 | 5,998,989 | 6,135,155 |
| Investment Earnings | 1,090,223 | 581,468 | 351,656 | 217,990 |
| Miscellaneous | 1,403,621 | 1,018,158 | 746,901 | 886,473 |
| Contributions | 10,005 | - | - | - |
| Transfers | - | 300,000 | 50,000 | (300,000) |
| Total Governmental Activities | 63,969,552 | 61,170,195 | 64,844,097 | 68,918,867 |
| Business-Type Activities | | | | |
| Income (Loss) from Joint Venture | - | - | - | - |
| Investment Earnings | 235,433 | 116,958 | 58,387 | 27,741 |
| Food and Beverage | 478,671 | 419,219 | 420,102 | 433,045 |
| Miscellaneous | 228,174 | 152,713 | 234,186 | 320,267 |
| Transfers | - | (300,000) | (50,000) | 300,000 |
| Total Business-Type Activities | 942,278 | 388,890 | 662,675 | 1,081,053 |
| Total Primary Government | \$ 64,911,830 | \$ 61,559,085 | \$ 65,506,772 | \$ 69,999,920 |
| Change in Net Position | | | | |
| Governmental Activities | \$ 707,127 | \$ 2,542,512 | \$ 3,207,825 | \$ 8,381,313 |
| Business-Type Activities | (1,659,814) | (2,660,647) | (1,806,507) | (452,343) |
| Total Primary Government Change in Net Position | \$ (952,687) | \$ (118,135) | \$ 1,401,318 | \$ 7,928,970 |

Data Source: Audited Financial Statements

| 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 30,390,556 | \$ 30,637,670 | \$ 31,550,695 | \$ 31,960,632 | \$ 33,774,122 | \$ 35,031,674 |
| 10,333,345 | 11,488,156 | 12,060,996 | 8,423,387 | 12,377,718 | 12,064,683 |
| 6,582,209 | 7,033,558 | 7,310,625 | 5,097,810 | 6,999,693 | 6,667,772 |
| 415,244 | 466,766 | 454,992 | 283,613 | 430,829 | 464,689 |
| 1,190,737 | 1,340,067 | 1,520,258 | 1,147,270 | 1,807,251 | 2,027,665 |
| 3,606,605 | 3,244,472 | 3,199,974 | 2,037,305 | 3,116,898 | 2,586,731 |
| 5,568,711 | 5,805,227 | 5,499,718 | 2,827,748 | 5,195,181 | 4,988,209 |
| 959,547 | 968,827 | 1,032,228 | 777,052 | 1,096,755 | 1,043,795 |
| 1,843,377 | 1,881,211 | 2,003,859 | 1,437,299 | 1,944,185 | 1,970,860 |
| 129,456 | 146,650 | 134,186 | 137,450 | 129,877 | 131,628 |
| 57,439 | 313,140 | 320,071 | 286,444 | 335,157 | 297,053 |
| 6,768,141 | 7,318,303 | 7,354,986 | 5,254,518 | 7,310,634 | 6,897,965 |
| 201,421 | 285,637 | 246,993 | 121,491 | 435,523 | 828,070 |
| 634,380 | 1,458,299 | 1,098,755 | 837,890 | 1,051,604 | 1,057,718 |
| - | - | - | - | - | - |
| - | - | - | - | 500,000 | 500,000 |
| 68,681,168 | 72,387,983 | 73,788,336 | 60,629,909 | 76,505,427 | 76,558,512 |
| - | - | - | - | - | - |
| 23,362 | 22,143 | 20,818 | 9,806 | 21,865 | 41,816 |
| 460,424 | 470,918 | 498,638 | 367,339 | 649,046 | 656,954 |
| 178,341 | (55,859) | 177,461 | 300,721 | 39,990 | - |
| - | - | - | - | (500,000) | (500,000) |
| 662,127 | 437,202 | 696,917 | 677,866 | 210,901 | 198,770 |
| \$ 69,343,295 | \$ 72,825,185 | \$ 74,485,253 | \$ 61,307,775 | \$ 76,716,328 | \$ 76,757,282 |
| \$ 2,881,117 | \$ 4,656,273 | \$ 6,056,626 | \$ 2,449,807 | \$ 6,618,409 | \$ 7,105,222 |
| (846,518) | (2,141,113) | (1,881,398) | (1,878,845) | (3,734,487) | 955,324 |
| \$ 2,034,599 | \$ 2,515,160 | \$ 4,175,228 | \$ 570,962 | \$ 2,883,922 | \$ 8,060,546 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| | 4/30/2009 | 4/30/2010 | 4/30/2011 | 4/30/2012 |
|------------------------------------|---------------|---------------|---------------|---------------|
| General Fund | | | | |
| Reserved | \$ 251,626 | \$ 204,484 | \$ 20,005 | \$ - |
| Unreserved | 19,086,835 | 17,415,479 | 20,207,484 | - |
| Nonspendable | - | - | - | 121,491 |
| Unrestricted | | | | |
| Assigned | - | - | - | 600,699 |
| Unassigned | - | - | - | 22,321,417 |
| Total General Fund | 19,338,461 | 17,619,963 | 20,227,489 | 23,043,607 |
| All Other Governmental Funds | | | | |
| Reserved | 9,166,943 | 9,274,651 | 9,459,952 | - |
| Unreserved, Reported in: | | | | |
| Special Revenues Funds | 6,441,755 | 6,404,202 | 6,299,665 | - |
| Capital Projects Funds | 5,716,699 | 6,162,092 | 6,399,997 | - |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | 16,263,555 |
| Unrestricted | | | | |
| Assigned | - | - | - | 8,191,945 |
| Total All Other Governmental Funds | 21,325,397 | 21,840,945 | 22,159,614 | 24,455,500 |
| Total Governmental Funds | \$ 40,663,858 | \$ 39,460,908 | \$ 42,387,103 | \$ 47,499,107 |

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

Data Source: Audited Financial Statements

| 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 208,379 | 317,836 | 189,328 | 172,973 | 192,691 | 117,663 |
| 592,930 | 749,295 | 874,315 | 817,143 | 844,034 | 1,524,370 |
| 22,380,114 | 22,942,073 | 23,252,947 | 27,536,053 | 30,271,109 | 29,005,220 |
| 23,181,423 | 24,009,204 | 24,316,590 | 28,526,169 | 31,307,834 | 30,647,253 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 257,979 | 438,742 | 399,794 | 370,479 | 232,130 | 178,480 |
| 17,517,983 | 17,361,269 | 24,540,110 | 22,074,564 | 18,683,413 | 24,378,960 |
| 10,156,751 | 9,352,188 | 10,270,809 | 13,329,568 | 46,290,136 | 31,177,516 |
| 27,932,713 | 27,152,199 | 35,210,713 | 35,774,611 | 65,205,679 | 55,734,956 |
| \$ 51,114,136 | \$ 51,161,403 | \$ 59,527,303 | \$ 64,300,780 | \$ 96,513,513 | \$ 86,382,209 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| | 4/30/2009 | 4/30/2010 | 4/30/2011 | 4/30/2012 |
|---|----------------|----------------|---------------|---------------|
| Revenues | | | | |
| Taxes | \$ 61,375,433 | \$ 59,165,913 | \$ 63,577,704 | \$ 61,855,652 |
| Intergovernmental | 2,254,702 | 2,237,939 | 2,282,831 | 8,297,534 |
| Grants/Contributions | 1,444,220 | 784,744 | 1,528,222 | 1,173,358 |
| Charges for Services | 1,795,352 | 1,960,514 | 2,021,291 | 2,030,165 |
| Licenses and Permits | 3,737,099 | 3,644,510 | 3,373,772 | 3,618,724 |
| Fines and Fees | 5,490,768 | 5,410,109 | 5,530,326 | 5,595,692 |
| Investment Income | 1,090,221 | 581,474 | 351,658 | 217,990 |
| Rents and Reimbursables | 462,268 | 448,573 | 406,325 | 431,382 |
| Miscellaneous | 1,134,110 | 779,348 | 520,843 | 649,662 |
| Total Revenues | 78,784,173 | 75,013,124 | 79,592,972 | 83,870,159 |
| Expenditures | | | | |
| General Government | 6,536,042 | 7,875,528 | 5,771,441 | 5,890,843 |
| Public Safety | 36,927,740 | 37,509,901 | 38,956,847 | 40,684,642 |
| Highways and Streets | 12,462,281 | 9,515,911 | 9,457,575 | 9,250,565 |
| Community Development | 5,900,626 | 5,593,968 | 5,214,087 | 5,073,806 |
| Health and Welfare | 2,412,863 | 2,344,242 | 1,880,681 | 1,861,099 |
| Capital Outlay | 9,120,302 | 8,241,071 | 7,106,267 | 7,053,543 |
| Debt Service | | | | |
| Principal Retirement | 6,119,781 | 5,833,691 | 5,570,000 | 6,360,000 |
| Interest and Fiscal Charges | 3,189,568 | 3,035,994 | 2,580,096 | 2,199,945 |
| Other Charges | - | - | 36,426 | 147,895 |
| Total Expenditures | 82,669,203 | 79,950,306 | 76,573,420 | 78,522,338 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (3,885,030) | (4,937,182) | 3,019,552 | 5,347,821 |
| Other Financing Sources (Uses) | | | | |
| Debt Issuance | - | 10,430,000 | 2,855,000 | 19,595,000 |
| Premium (Discount) on Debt Issuance | - | 130,520 | 34,909 | 395,279 |
| Payment to Escrow Agent | - | (8,426,288) | (2,849,266) | (19,810,106) |
| Transfers In | 1,782,620 | 4,620,097 | 1,693,003 | 2,982,025 |
| Transfers Out | (1,907,620) | (3,020,097) | (1,643,003) | (3,582,025) |
| Disposal of Capital Assets | - | - | - | - |
| | (125,000) | 3,734,232 | 90,643 | (419,827) |
| Net Change in Fund Balance | \$ (4,010,030) | \$ (1,202,950) | \$ 3,110,195 | \$ 4,927,994 |
| Debt Service as a Percentage of Noncapital Expenditures | 11.96% | 11.09% | 10.69% | 11.09% |

Data Source: Audited Financial Statements

| 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|---------------|---------------|---------------|---------------|---------------|-----------------|
| \$ 60,947,768 | \$ 49,884,105 | \$ 50,917,170 | \$ 44,424,290 | \$ 52,461,991 | \$ 52,586,094 |
| 9,428,030 | 20,686,642 | 21,621,147 | 15,246,238 | 22,252,920 | 24,022,799 |
| 1,447,303 | 4,288,701 | 4,699,535 | 1,834,378 | 2,267,546 | 985,445 |
| 2,052,554 | 5,284,463 | 5,230,607 | 3,758,085 | 5,192,297 | 5,909,847 |
| 4,289,920 | 5,989,935 | 5,862,746 | 4,317,478 | 6,529,300 | 6,211,862 |
| 6,051,687 | 755,196 | 804,726 | 500,620 | 710,352 | 664,035 |
| 201,421 | 218,686 | 182,615 | 88,530 | 355,443 | 689,104 |
| 436,635 | - | - | - | - | - |
| 454,263 | 1,477,909 | 1,135,234 | 855,968 | 1,071,368 | 1,074,637 |
| 85,309,581 | 88,585,637 | 90,453,780 | 71,025,587 | 90,841,217 | 92,143,823 |
| 4,698,107 | 4,277,526 | 4,636,827 | 3,219,631 | 4,680,170 | 4,471,299 |
| 42,291,156 | 43,012,679 | 44,609,076 | 33,515,656 | 46,071,577 | 46,398,789 |
| 11,089,158 | 12,460,690 | 13,140,609 | 8,854,213 | 13,114,009 | 12,623,702 |
| 5,129,100 | 2,600,895 | 2,268,019 | 1,577,298 | 5,955,261 | 7,974,896 |
| 2,153,765 | 5,382,571 | 5,469,806 | 3,951,512 | 2,331,430 | 2,280,772 |
| 8,358,862 | 11,467,725 | 12,133,539 | 7,277,852 | 14,224,083 | 19,935,951 |
| 5,835,000 | 6,160,000 | 6,475,000 | 6,455,000 | 5,215,000 | 4,995,000 |
| 1,739,404 | 1,624,978 | 1,442,549 | 1,400,954 | 2,459,907 | 2,094,718 |
| - | - | - | - | - | - |
| 81,294,552 | 86,987,064 | 90,175,425 | 66,252,116 | 94,051,437 | 100,775,127 |
| 4,015,029 | 1,598,573 | 278,355 | 4,773,471 | (3,210,220) | (8,631,304) |
| - | 7,755,000 | 7,625,000 | - | 32,900,000 | - |
| - | 862,170 | 460,605 | - | 2,022,953 | - |
| - | (8,568,476) | - | - | - | - |
| 5,775,747 | 3,613,688 | 9,444,113 | 6,755,513 | 915,000 | 6,898,372 |
| (6,175,747) | (5,213,688) | (9,444,113) | (6,755,513) | (415,000) | (8,398,372) |
| - | - | 1,940 | - | - | - |
| (400,000) | (1,551,306) | 8,087,545 | - | 35,422,953 | (1,500,000) |
| \$ 3,615,029 | \$ 47,267 | \$ 8,365,900 | \$ 4,773,471 | \$ 32,212,733 | \$ (10,131,304) |
| 9.32% | 9.15% | 9.15% | 12.58% | 8.81% | 8.09% |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**Police Pension Fund Tax Levies and Contributions - Last Ten Tax Levy Years
For the Fiscal Year Ended December 31, 2017 (Unaudited)**

| Tax 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 |
|---------------------|---|-------------------------|--|---|---|
| 2007 | \$ 2,325,266 | \$ 2,442,000 | 105% | \$ 2,442,000 | 4/30/2010 |
| 2008 | 2,875,430 | 3,378,000 | 117% | 3,379,573 | 4/30/2011 |
| 2009 | 3,679,006 | 4,038,000 | 110% | 4,039,909 | 4/30/2012 |
| 2010 | 4,288,185 | 4,288,000 | 100% | 4,288,000 | 4/30/2013 |
| 2011 | 4,136,305 | 4,330,880 | 105% | 4,330,880 | 4/30/2014 |
| 2012 | 4,222,683 | 4,529,400 | 107% | 4,529,400 | 4/30/2015 |
| 2013 | 4,432,200 | 4,500,000 | 102% | 4,500,000 | 12/31/2015 |
| 2014 | 2,779,725 * | 4,500,000 | 162% | 4,500,000 | 12/31/2016 |
| 2015 | 3,839,961 | 4,500,000 | 117% | 4,500,000 | 12/31/2017 |
| 2016 | 3,878,094 | 3,994,000 | 103% | 3,994,000 | 12/31/2018 |

*For the eight months ended December 31, 2015

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**Firefighters' Pension Fund Tax Levies and Contributions - Last Ten Tax Levy Years
For the Fiscal Year Ended December 31, 2017 (Unaudited)**

| Tax 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 |
|---------------------|---|-------------------------|--|---|---|
| 2007 | \$ 3,098,000 | \$ 3,244,000 | 105% | \$ 3,244,000 | 4/30/2010 |
| 2008 | 3,554,720 | 3,948,000 | 111% | 3,948,000 | 4/30/2011 |
| 2009 | 4,195,008 | 4,459,000 | 106% | 4,470,604 | 4/30/2012 |
| 2010 | 4,574,540 | 4,588,000 | 100% | 4,588,000 | 4/30/2013 |
| 2011 | 4,588,979 | 4,701,000 | 102% | 4,701,000 | 4/30/2014 |
| 2012 | 4,771,232 | 5,007,300 | 105% | 5,007,300 | 4/30/2015 |
| 2013 | 5,055,378 | 5,057,400 | 100% | 5,057,400 | 12/31/2015 |
| 2014 | 3,235,984 * | 5,100,000 | 158% | 5,100,000 | 12/31/2016 |
| 2015 | 4,734,724 | 5,100,000 | 108% | 5,100,000 * | 12/31/2017 |
| 2016 | 4,852,674 | 4,889,000 | 101% | 4,889,000 | 12/31/2018 |

*For the eight months ended December 31, 2015

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Tax Levy Year | Residential Property |
|---------------------|-------------------------|
| 2007 | \$ 2,159,681,431 |
| 2008 | 2,363,924,787 |
| 2009 | 2,562,767,692 |
| 2010 | 2,328,125,638 |
| 2011 | 2,181,305,538 |
| 2012 | 2,009,525,986 |
| 2013 | 1,704,562,752 |
| 2014 | 1,810,983,128 |
| 2015 | 1,766,744,791 |
| 2016 | 2,155,373,008 |

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

Data Source: Cook County Tax Extension Office

| Commercial Property | Industrial Property | Railroad Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value |
|------------------------|------------------------|----------------------|------------------------------------|-----------------------------|--------------------------------------|
| \$ 908,782,142 | \$ 317,501,919 | \$ 424,008 | \$ 3,386,389,500 | 1.134 | \$ 10,159,168,500 |
| 927,728,746 | 332,953,746 | 460,399 | 3,625,067,678 | 1.072 | 10,875,203,034 |
| 855,590,509 | 280,348,725 | 549,104 | 3,699,256,030 | 1.108 | 11,097,768,090 |
| 808,869,919 | 261,967,060 | 679,364 | 3,399,641,981 | 1.254 | 10,198,925,943 |
| 687,378,788 | 224,364,941 | 719,722 | 3,093,768,989 | 1.385 | 9,281,306,967 |
| 640,237,374 | 209,384,276 | 810,919 | 2,859,958,555 | 1.532 | 8,579,875,665 |
| 573,721,999 | 198,631,738 | 996,997 | 2,477,913,486 | 1.818 | 7,433,740,458 |
| 577,544,679 | 114,654,036 | 1,037,926 | 2,504,219,769 | 1.816 | 7,512,659,307 |
| 565,748,059 | 113,315,940 | 1,242,969 | 2,447,051,759 | 1.925 | 7,341,155,277 |
| 620,835,250 | 119,444,421 | 1,264,483 | 2,896,917,162 | 1.665 | 8,690,751,486 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years* For the Fiscal Year Ended December 31, 2017 (Unaudited)

| | 2007 | 2008 | 2009 | 2010 |
|------------------------------------|-------|-------|-------|-------|
| Village Direct Rates | | | | |
| Village of Arlington Heights | 0.763 | 0.722 | 0.755 | 0.866 |
| Arlington Heights Memorial Library | 0.371 | 0.350 | 0.353 | 0.388 |
| Total Village Direct Rates | 1.134 | 1.072 | 1.108 | 1.254 |
| Overlapping Rates | | | | |
| County (includes Forest Preserve) | 0.499 | 0.466 | 0.443 | 0.423 |
| Metro Reclamation District | 0.263 | 0.252 | 0.261 | 0.274 |
| School District #25 | 2.890 | 2.807 | 2.510 | 2.813 |
| School District #214 | 1.621 | 1.587 | 1.636 | 1.839 |
| School District #512 | 0.260 | 0.256 | 0.258 | 0.295 |
| Park District's | 0.404 | 0.379 | 0.392 | 0.450 |
| Wheeling Township | 0.038 | 0.038 | 0.039 | 0.043 |
| Other | 0.041 | 0.029 | 0.050 | 0.079 |
| Total Overlapping Rates | 6.016 | 5.814 | 5.589 | 6.216 |
| Total Tax Rate Per \$100 of EAV | 7.150 | 6.886 | 6.697 | 7.470 |

Data Source: Cook County Tax Extension Office

* Tax Rates per \$100 of EAV

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------|-------|--------|--------|--------|-------|
| 0.955 | 1.062 | 1.270 | 1.269 | 1.359 | 1.182 |
| 0.430 | 0.470 | 0.548 | 0.547 | 0.566 | 0.483 |
| 1.385 | 1.532 | 1.818 | 1.816 | 1.925 | 1.665 |
| 0.520 | 0.594 | 0.660 | 0.637 | 0.621 | 0.596 |
| 0.320 | 0.370 | 0.417 | 0.430 | 0.426 | 0.406 |
| 3.101 | 3.416 | 3.659 | 3.678 | 3.990 | 3.424 |
| 2.067 | 2.324 | 2.768 | 2.776 | 2.881 | 2.527 |
| 0.334 | 0.373 | 0.444 | 0.451 | 0.466 | 0.419 |
| 0.496 | 0.545 | 0.633 | 0.636 | 0.626 | 0.488 |
| 0.048 | 0.052 | 0.056 | 0.052 | 0.055 | 0.041 |
| 0.059 | 0.036 | 0.042 | 0.042 | 0.041 | 0.032 |
| 6.945 | 7.710 | 8.679 | 8.702 | 9.106 | 7.933 |
| 8.330 | 9.242 | 10.497 | 10.518 | 11.031 | 9.598 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Taxpayer | 2017 | | | 2009 | | |
|------------------------------------|---------------------------------|------|--|--------------------------------|------|--|
| | Equalized Assessed Value* | Rank | Percentage of Total Village Equalized Assessed Value | Equalized Assessed Value | Rank | Percentage of Total Village Equalized Assessed Value |
| Luther Village | \$ 43,707,405 | 1 | 1.51% | \$ 49,338,409 | 1 | 1.46% |
| New Plan Excel Realty Trust | 33,360,342 | 2 | 1.15% | | | |
| Arlington International Racecourse | 32,789,550 | 3 | 1.13% | 44,571,833 | 2 | 1.32% |
| Robert Rohrman | 22,659,201 | 4 | 0.78% | | | |
| Town & Country Mall | 21,285,312 | 5 | 0.73% | 30,027,554 | 4 | 0.89% |
| Northpoint Mall | 20,169,546 | 6 | 0.70% | 27,008,614 | 5 | 0.80% |
| Marriott | 18,437,562 | 7 | 0.64% | | | |
| Stonebridge Real Estate | 14,415,897 | 8 | 0.50% | | | |
| Tanglewood Apartments | 13,590,966 | 9 | 0.47% | 24,133,562 | 7 | 0.71% |
| First American CPII | 12,653,568 | 10 | 0.44% | | | |
| Motorola, Inc | | | | 43,531,486 | 3 | 1.29% |
| Hamilton Partners | | | | 26,390,476 | 6 | 0.78% |
| Arlington Nissan | | | | 22,826,506 | 8 | 0.67% |
| Arlington Park Sheridan | | | | 22,320,785 | 9 | 0.66% |
| Avalon Bay Communities | | | | 16,956,576 | 10 | 0.50% |
| | <u>\$ 233,069,349</u> | | <u>8.05%</u> | <u>\$ 307,105,801</u> | | <u>9.07%</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 valuation were overlooked.

* Based on 2016 Equalized Assessed Valuations.

Data Source: Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Tax 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 |
| 2007 | \$ 25,813,889 | \$ 24,997,127 | 96.84% | \$ 341,775 | \$ 25,338,902 | 98.16% |
| 2008 | 26,154,462 | 25,940,264 | 99.18% | 15,544 | 25,955,808 | 99.24% |
| 2009 | 27,931,942 | 27,168,234 | 97.27% | 147,985 | 27,316,219 | 97.80% |
| 2010 | 29,423,724 | 28,854,502 | 98.07% | 195,237 | 29,049,739 | 98.73% |
| 2011 | 29,534,588 | 29,031,124 | 98.30% | 20,219 | 29,051,343 | 98.36% |
| 2012 | 30,348,788 | 29,791,964 | 98.17% | 84,649 | 29,876,613 | 98.44% |
| 2013 | 31,463,571 | 30,820,062 | 97.95% | N/A | 30,820,062 | 97.95% |
| 2014 | 31,778,207 | 31,203,688 | 98.19% | N/A | 31,203,688 | 98.19% |
| 2015 | 33,248,168 | 33,087,784 | 99.52% | - | 33,087,784 | 99.52% |
| 2016 | 34,236,930 | 33,676,536 | 98.36% | - | 33,676,536 | 98.36% |

Data Source: Office of the Cook County Clerk
Excludes the Library levies and collections.

N/A - Not Available

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Ratios of Outstanding Debt by Type - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Fiscal Year | Governmental Activities | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|----------------|--------------------------------|--------------------------------|---|-------------------|
| | General Obligation Bonds | | | |
| 4/30/2009 | \$ 68,130,000 | \$ 68,130,000 | 2.64% | \$ 885.46 |
| 4/30/2010 | 64,690,000 | 64,690,000 | 2.14% | 861.37 |
| 4/30/2011 | 59,185,000 | 59,185,000 | 1.96% | 788.07 |
| 4/30/2012 | 53,730,000 | 53,730,000 | 1.78% | 715.44 |
| 4/30/2013 | 48,423,632 | 48,423,632 | 1.60% | 644.78 |
| 4/30/2014 | 42,636,145 | 42,636,145 | 1.41% | 567.72 |
| 4/30/2015 | 43,986,033 | 43,986,033 | 1.45% | 585.69 |
| 12/31/2015 | 37,254,248 | 37,254,248 | 1.23% | 496.06 |
| 12/31/2016 | 66,254,370 | 66,254,370 | 2.19% | 882.20 |
| 12/31/2017 | 60,911,366 | 60,911,366 | 2.01% | 811.06 |

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

(1) See the Demographic and Economic Statistics Schedule for personal income and population data.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service | Less: Debt Payable from Enterprise Revenue | Total | Percentage of Estimated Actual Taxable Value of Property (1) | Per Capita (2) |
|-------------|--------------------------|---|--|---------------|--|----------------|
| 4/30/2009 | \$ 68,130,000 | \$ 1,946,327 | \$ - | \$ 66,183,673 | 0.65% | \$ 860.16 |
| 4/30/2010 | 64,690,000 | 1,789,843 | - | 62,900,157 | 0.58% | 837.54 |
| 4/30/2011 | 59,185,000 | 1,744,304 | - | 57,440,696 | 0.52% | 764.85 |
| 4/30/2012 | 53,730,000 | 1,761,874 | - | 51,968,126 | 0.51% | 691.98 |
| 4/30/2013 | 48,423,632 | 1,724,730 | - | 46,698,902 | 0.50% | 621.81 |
| 4/30/2014 | 42,636,145 | 1,117,003 | - | 41,519,142 | 0.48% | 552.84 |
| 4/30/2015 | 43,986,033 | 989,407 | - | 42,996,626 | 0.58% | 572.52 |
| 12/31/2015 | 37,254,248 | 1,405,448 | - | 35,848,800 | 0.48% | 477.34 |
| 12/31/2016 | 66,254,370 | 1,310,129 | - | 64,944,241 | 0.88% | 864.76 |
| 12/31/2017 | 60,911,366 | 1,307,322 | - | 59,604,044 | 0.69% | 793.65 |

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

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

(2) See the Demographic and Economic Statistics Schedule for the population data. These ratios are calculated using calendar year data.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Governmental Unit | Gross Debt | (1) Percentage Debt Applicable to Village | Village's Share of Debt |
|---|------------------|---|-------------------------------|
| Village of Arlington Heights | \$ 60,911,366 | 100.00% | \$ 60,911,366 |
| Community College District 512 | 153,255,000 | 16.553% | 25,368,300 |
| Arlington Heights School District 25 | 42,205,000 | 96.713% | 40,817,722 |
| Cook County School District 15 | 47,709,415 | 3.031% | 1,446,072 |
| Cook County School District 21 | 33,950,000 | 23.445% | 7,959,578 |
| Cook County School District 57 | 8,295,000 | 3.764% | 312,224 |
| Cook County School District 59 | 15,235,000 | 13.423% | 2,044,994 |
| Prospect Heights School District 23 | 8,380,000 | 35.933% | 3,011,185 |
| Palatine Township High School District 211 | 3,020,000 | 0.480% | 14,496 |
| Arlington Heights School District 214 | 39,490,000 | 33.463% | 13,214,539 |
| Cook County | 3,092,046,750 | 2.019% | 62,428,424 |
| Forest Preserve of Cook County | 159,490,000 | 4.184% | 6,673,062 |
| Metropolitan Water Reclamation District of Greater Chicago | 2,769,608,000 | 2.058% | 56,998,533 |
| Arlington Heights Park District | 17,430,000 | 96.984% | 16,904,311 |
| Buffalo Grove Park District | 17,070,000 | 13.490% | 2,302,743 |
| Prospect Heights Park District | 7,854,310 | 5.459% | 428,767 |
| Mount Prospect Park District | 21,355,000 | 2.922% | 623,993 |
| Palatine Park District | 15,575,000 | 0.992% | 154,504 |
| Salt Creek Park District | 2,942,000 | 33.960% | 999,103 |
| Total Overlapping Debt | 6,454,910,475 | | 241,702,549 |
| Total Direct and Overlapping Debt | \$ 6,515,821,841 | | \$ 302,613,915 |

(1) 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 2016 Equalized Assessed Valuations.

Data Source: Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Legal Debt Margin

For the Fiscal Year Ended December 31, 2017 (Unaudited)

The Village is a home rule municipality.

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

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some 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**Pledged-Revenue Coverage - Last Ten Fiscal Years
For the Fiscal Year Ended December 31, 2017 (Unaudited)**

| Fiscal Year | Water | | |
|----------------|-------------------------------|-------------------------------|-----------------------------|
| | Water Charges and Other | Less Operating Expenses | Net Available Revenue |
| 4/30/2009 | \$ 12,085,784 | \$ 12,852,717 | \$ (766,933) |
| 4/30/2010 | 12,110,994 | 12,734,290 | (623,296) |
| 4/30/2011 | 12,888,535 | 13,750,981 | (862,446) |
| 4/30/2012 | 13,130,609 | 13,483,848 | (353,239) |
| 4/30/2013 | 14,517,362 | 14,331,095 | 186,267 |
| 4/30/2014 | 14,242,813 | 14,178,337 | 64,476 |
| 4/30/2015 | 14,312,322 | 14,900,500 | (588,178) |
| 12/31/2015 | 10,628,076 | 11,427,831 | (799,755) |
| 12/31/2016 | 17,215,415 | 17,051,595 | 163,820 |
| 12/31/2017 | 18,749,669 | 16,731,944 | 2,017,725 |

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.

| Bonds | | | | | | Special Assessment Bonds and/or Vouchers | | | | | |
|--------------|----------|-----------|----------|---|--------------|--|----------|----|--------|----|------|
| Debt Service | | | Coverage | Current Special Assessment Billed | Debt Service | | Coverage | | | | |
| Principal | Interest | Principal | | | Interest | | | | | | |
| \$ | - | \$ | - | \$ | 86,516 | \$ | 175,605 | \$ | 20,865 | \$ | 0.44 |
| | - | | - | | 42,493 | | 132,546 | | 11,941 | | 0.29 |
| | - | | - | | 35,447 | | - | | - | | - |
| | - | | - | | 30,650 | | - | | - | | - |
| | - | | - | | 27,292 | | - | | - | | - |
| | - | | - | | 23,027 | | - | | - | | - |
| | - | | - | | 23,027 | | - | | - | | - |
| | - | | - | | 19,089 | | - | | - | | - |
| | - | | - | | 15,128 | | - | | - | | - |
| | - | | - | | - | | - | | - | | - |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Fiscal Year | (1) Population | (1) Personal Income | (1) Per Capita Personal Income | (2) Unemployment Rate |
|-------------|-------------------|---------------------------|--|-----------------------------|
| 4/30/2009 | 76,943 | \$ 2,580,975,992 | \$ 33,544 | 7.60% |
| 4/30/2010 | 75,101 | 3,024,842,977 | 40,277 | 7.40% |
| 4/30/2011 | 75,101 | 3,024,842,977 | 40,277 | 7.20% |
| 4/30/2012 | 75,101 | 3,024,842,977 | 40,277 | 6.60% |
| 4/30/2013 | 75,101 | 3,024,842,977 | 40,277 | 7.60% |
| 4/30/2014 | 75,101 | 3,024,842,977 | 40,277 | 5.80% |
| 4/30/2015 | 75,101 | 3,024,842,977 | 40,277 | 4.60% |
| 12/31/2015 | 75,101 | 3,024,842,977 | 40,277 | 4.30% |
| 12/31/2016 | 75,101 | 3,024,842,977 | 40,277 | 4.90% |
| 12/31/2017 | 75,101 | 3,024,842,977 | 40,277 | 4.40% |

Data Sources:

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Employer | 2017 | | | 2009 | | |
|---|---------------|------|---|---------------|------|---|
| | Employees | Rank | Percentage of Total Village Employment | Employees | Rank | Percentage of Total Village Employment |
| Arlington International Racecourse (Seasonal) | 4,500 | 1 | 11.82% | 4,500 | 1 | 11.29% |
| Northwest Community Healthcare | 3,600 | 2 | 9.46% | 4,000 | 2 | 10.04% |
| Arlington Heights High School District #214 | 1,700 | 3 | 4.46% | 1,703 | 5 | 4.27% |
| Clearbrook | 1,500 | 4 | 3.94% | | | |
| Lutheran Home | 800 | 5 | 2.10% | 598 | 7 | 1.50% |
| Paddock Publications | 500 | 6 | 1.31% | 850 | 6 | 2.13% |
| Alexian Brothers Health System | 500 | 7 | 1.31% | 500 | 9 | 1.25% |
| Clearbrook | 450 | 8 | 1.18% | | | |
| Kroeschell Inc | 450 | 9 | 1.18% | | | |
| Village of Arlington Heights | 450 | 10 | 1.18% | 472 | 10 | |
| Motorola Inc. - Cellular Phone Division | | | | 3,000 | 3 | 7.53% |
| Broadway Communications Corporation | | | | 2,000 | 4 | 5.02% |
| Sheraton Chicago Northwest & Coco Key | | | | 550 | 8 | 1.38% |
| | <u>14,450</u> | | <u>37.95%</u> | <u>18,173</u> | | <u>44.43%</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 For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Function/Program | 4/30/2009 | 4/30/2010 | 4/30/2011 |
|------------------------------------|-----------|-----------|-----------|
| General Government | | | |
| Manager's Office | 6.50 | 6.50 | 6.00 |
| Human Resources | 4.50 | 4.50 | 4.00 |
| Legal | 3.25 | 3.25 | 2.75 |
| Finance | 19.00 | 17.50 | 16.50 |
| Village Clerk | 1.50 | 1.50 | 1.50 |
| IT | 6.00 | 6.00 | 6.00 |
| GIS | 1.00 | 1.00 | 1.00 |
| Buildings and Grounds | 8.00 | 7.00 | 7.00 |
| Public Safety | | | |
| Police | | | |
| Officers | 114.00 | 114.00 | 109.00 |
| Civilian | 36.00 | 34.00 | 31.00 |
| Fire | | | |
| Firefighters and Officers | 111.00 | 111.00 | 108.00 |
| Civilian | 3.50 | 2.50 | 2.50 |
| Community Development | | | |
| Planning and Community Development | 11.75 | 11.25 | 9.00 |
| Building | 19.50 | 18.50 | 17.50 |
| Engineering | 13.00 | 12.00 | 10.00 |
| Health and Welfare | | | |
| Health Services | 11.00 | 11.00 | 10.00 |
| Youth Services | 3.50 | 3.50 | - |
| Senior Services | 4.75 | 3.75 | 3.75 |
| Highways and Streets | | | |
| Public Works | 42.25 | 42.25 | 37.25 |
| Other Public Works | | | |
| Water Utility Operations | 41.25 | 41.25 | 41.25 |
| Fleet Services | 10.50 | 10.50 | 10.50 |
| Totals | 468.25 | 471.75 | 462.75 |

Data Source: Village Budget

| 4/30/2012 | 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|-----------|-----------|-----------|-----------|------------|------------|------------|
| 6.00 | 6.00 | 6.00 | 5.00 | 5.00 | 5.00 | 5.50 |
| 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 | 2.75 |
| 17.50 | 17.50 | 17.50 | 18.00 | 18.00 | 17.50 | 17.50 |
| - | - | - | - | - | - | - |
| 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 6.00 |
| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | - |
| 7.00 | - | - | - | - | - | - |
| 109.00 | 109.00 | 109.00 | 109.00 | 109.00 | 109.00 | 109.00 |
| 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 | 30.00 |
| 108.00 | 108.00 | 108.00 | 108.00 | 108.00 | 108.00 | 108.00 |
| 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.00 | 2.00 |
| 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 10.00 | 10.00 |
| 16.00 | 16.00 | 16.00 | 16.50 | 16.50 | 17.00 | 17.00 |
| 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| 9.50 | 9.50 | 9.50 | 9.50 | 9.50 | 10.00 | 10.00 |
| - | - | - | - | - | - | - |
| 3.75 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| 35.25 | 42.25 | 42.25 | 42.25 | 42.25 | 42.25 | 42.25 |
| 40.25 | 40.75 | 40.75 | 40.75 | 40.75 | 40.75 | 40.75 |
| 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |
| 434.50 | 427.00 | 427.25 | 427.25 | 427.25 | 428.25 | 428.75 |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Function/Program | 4/30/2009 | 4/30/2010 | 4/30/2011 |
|----------------------------|-----------|-----------|-----------|
| Public Safety | | | |
| Police | | | |
| Service Calls | 28,074 | 26,221 | 26,211 |
| Total Crime Reported | 4,550 | 3,694 | 3,815 |
| Arrests | 1,381 | 1,309 | 1,171 |
| Citations Issued | 29,443 | 24,593 | 26,443 |
| Fire | | | |
| Service Calls (EMS) | 6,318 | 6,387 | 6,718 |
| Service Calls (Non-EMS) | 3,198 | 3,201 | 3,576 |
| Public Works | | | |
| Snow Removal (Miles) | 61,049 | 53,418 | 53,188 |
| Streets Resurfaced (Miles) | 8.00 | 8.52 | 8.40 |
| Water | | | |
| Water Main Breaks | 145 | 284 | 247 |
| Sewer Repairs | 24 | 16 | 26 |
| Average Daily Consumption | 8.70 MGD | 8.70 MGD | 8.70 MGD |

Data Source: Various Village Departments

MGD - Millions Gallons Daily

| 4/30/2012 | 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|-----------|-----------|-----------|-----------|------------|------------|------------|
| 25,425 | 11,569 | 23,678 | 24,148 | 16,527 | 25,919 | 32,732 |
| 3,232 | 1,111 | 2,270 | 2,196 | 2,019 | 2,559 | 2,189 |
| 1,089 | 1,006 | 1,073 | 921 | 558 | 824 | 657 |
| 28,956 | 15,918 | 27,584 | 29,795 | 19,000 | 27,935 | 24,944 |
| 6,688 | 3,283 | 6,667 | 6,779 | 4,648 | 7,581 | 7,369 |
| 3,349 | 1,559 | 3,266 | 3,286 | 2,101 | 2,620 | 2,676 |
| 51,795 | 24,843 | 91,651 | 52,072 | 14,727 | 51,044 | 18,541 |
| 9.54 | 1.60 | 8.10 | 8.10 | 7.45 | 7.08 | 5.80 |
| 363 | 100 | 244 | 157 | 228 | 228 | 240 |
| 13 | 5 | 28 | 32 | 60 | 20 | 13 |
| 8.70 MGD | 8.70 MGD | 8.70 MGD | 8.20 MGD | 7.58 MGD | 7.51 MGD | 7.41 MGD |

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2017 (Unaudited)

| Function/Program | 4/30/2009 | 4/30/2010 | 4/30/2011 | 4/30/2012 |
|-----------------------------|------------|------------|------------|------------|
| Public Safety | | | | |
| Police | | | | |
| Police Stations | 1 | 1 | 1 | 1 |
| Marked Police Vehicles | 48 | 49 | 45 | 45 |
| Unmarked Police Vehicles | 14 | 14 | 13 | 17 |
| Police Motorcycles | 4 | 4 | 4 | 4 |
| Fire | | | | |
| Fire Stations | 4 | 4 | 4 | 4 |
| Fire Pumpers | 7 | 6 | 6 | 6 |
| Fire Ladder Trucks | 2 | 2 | 2 | 2 |
| Rescue Squads | 4 | 3 | 4 | 4 |
| Ambulances | 6 | 6 | 6 | 6 |
| Utility Vehicles | - | - | - | 1 |
| Boats with Trailer | 1 | 1 | 1 | 1 |
| TRS Rescue Trailers | 1 | 1 | 1 | 1 |
| Public Education Trailers | 1 | 1 | 1 | 1 |
| Hazardous Material Vehicles | 1 | 1 | 1 | 1 |
| Administrative Vehicles | 10 | 11 | 9 | 9 |
| Public Works | | | | |
| Streets (Miles) | 229 | 229 | 230 | 230 |
| Streetlights | 3,207 | 3,207 | 3,212 | 3,212 |
| Traffic Signals | 9,784 | 9,784 | 9,784 | 9,784 |
| Water | | | | |
| Water Mains (Miles) | 252 | 252 | 253 | 253 |
| Fire Hydrants | 2,732 | 2,732 | 2,740 | 2,740 |
| Storage Capacity (Gallons) | 31,000,000 | 31,000,000 | 31,000,000 | 31,000,000 |
| Wastewater | | | | |
| Sanitary Sewers (Miles) | 226 | 226 | 227 | 227 |
| Storm Sewers (Miles) | 162 | 162 | 163 | 163 |

Data Source: Various Village Departments

| 4/30/2013 | 4/30/2014 | 4/30/2015 | 12/31/2015 | 12/31/2016 | 12/31/2017 |
|------------|------------|------------|------------|------------|------------|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 44 | 44 | 44 | 44 | 44 | 44 |
| 17 | 17 | 17 | 18 | 19 | 19 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 6 | 6 | 6 | 5 | 5 | 5 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 4 | 4 | 4 | 5 | 4 | 4 |
| 6 | 6 | 6 | 6 | 6 | 6 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 9 | 7 | 7 | 8 | 8 | 8 |
| 230 | 230 | 230 | 230 | 241 | 241 |
| 3,212 | 3,212 | 3,865 | 3,865 | 3,865 | 3,865 |
| 9,784 | 9,784 | 9,784 | 9,784 | 9,784 | 9,784 |
| 253 | 253 | 260 | 260 | 260 | 260 |
| 2,740 | 2,740 | 3,318 | 3,318 | 3,318 | 3,329 |
| 31,000,000 | 31,000,000 | 32,000,000 | 31,000,000 | 31,000,000 | 31,000,000 |
| 227 | 227 | 255 | 255 | 255 | 261 |
| 163 | 163 | 213 | 213 | 213 | 228 |