

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended December 31, 2018



**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, 2018

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

## TABLE OF CONTENTS

### PAGE

#### INTRODUCTORY SECTION

Principal Officials	1
Organization Structure	2
Letter of Transmittal	3 - 6
GFOA Certificate of Achievement for Excellence in Financial Reporting	7

#### FINANCIAL SECTION

<b>INDEPENDENT AUDITORS' REPORT</b>	8 - 9
-------------------------------------	-------

<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	10 - 22
---	---------

#### **BASIC FINANCIAL STATEMENTS**

Government-Wide Financial Statements	
Statement of Net Position	23 - 24
Statement of Activities	25 - 26
Fund Financial Statements	
Balance Sheet – Governmental Funds	27 - 28
Reconciliation of Total Governmental Fund Balance to the	
Statement of Net Position – Governmental Activities	29
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds	30 - 31
Reconciliation of the Statement of Revenues, Expenditures and Changes in	
Fund Balances to the Statement of Activities – Governmental Activities	32
Statement of Net Position – Proprietary Funds	33 - 34
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	35
Statement of Cash Flows – Proprietary	36
Statement of Fiduciary Net Position	37
Statement of Changes in Fiduciary Net Position	38
Notes to Financial Statements	39 - 101

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	102
Police Pension Fund	103
Firefighters' Pension Fund	104
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	105 - 106
Police Pension Fund	107 - 108
Firefighters' Pension Fund	109 - 110

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## TABLE OF CONTENTS

### PAGE

### FINANCIAL SECTION - Continued

#### **REQUIRED SUPPLEMENTARY INFORMATION - Continued**

Schedule of Investment Returns	
Police Pension Fund	111
Firefighters' Pension Fund	112
Schedule of Changes in the Employer's Total OPEB Liability	
Retiree Benefit Plan	113
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	114

#### **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

Comparative Balance Sheet – General Fund	115
Schedule of Revenues – Budget and Actual – General Fund	116 - 119
Schedule of Expenditures – Budget and Actual – General Fund	120
Schedule of Detailed Expenditures – Budget and Actual – General Fund	121 - 124
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Debt Service Fund	125
Capital Projects Fund	126
Stormwater Control – Capital Projects Fund	127
Public Building – Capital Projects Fund	128
Combining Balance Sheet – Nonmajor Governmental Funds	129
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	130
Combining Balance Sheet – Nonmajor Special Revenue Funds	131 - 132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Special Revenue Fund	133 - 134
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Motor Fuel Tax – Special Revenue Fund	135
Community Development Block Grant – Special Revenue Fund	136
Foreign Fire Insurance – Special Revenue Fund	137
Criminal Investigations – Special Revenue Fund	138
Municipal Parking Operations – Special Revenue Fund	139
TIF I South – Special Revenue Fund	140
TIF II North – Special Revenue Fund	141
TIF III – Special Revenue Fund	142
TIF IV – Special Revenue Fund	143
TIF V – Special Revenue Fund	144
Hickory Kensington TIF – Special Revenue Fund	145
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	
Emerald Ash Borer – Capital Projects Fund	146

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## TABLE OF CONTENTS

### PAGE

### FINANCIAL SECTION - Continued

#### COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES - Continued

Comparative Statement of Net Position – Water and Sewer – Enterprise Fund	147 - 148
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water and Sewer – Enterprise Fund	149
Schedule of Operating Expenses – Budget and Actual – Water and Sewer – Enterprise Fund	150 - 152
Combining Statement of Net Position – Nonmajor Enterprise Funds	153
Combining Statement of Revenues, Expenses and Changes in Net Position	
Nonmajor Enterprise Funds	154
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	155
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Solid Waste Disposal – Enterprise Fund	156
Arts, Entertainment and Events – Enterprise Fund	157
Combining Statement of Net Position – Internal Service Funds	158 - 159
Combining Statement of Revenues, Expenses and Changes in Net Position	
Internal Service Funds	160 - 161
Combining Statement of Cash Flows – Internal Service Funds	162 - 163
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Health and Life Insurance – Internal Service Fund	164
Retiree Health Insurance – Internal Service Fund	165
General Liability Insurance – Internal Service Fund	166
Workers’ Compensation – Internal Service Fund	167
Fleet Operations – Internal Service Fund	168
Schedule of Operating Expenses – Budget and Actual	
Fleet Operations – Internal Service Fund	169 - 170
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Technology – Internal Service Fund	171
Combining Statement of Fiduciary Net Position – Pension Trust Funds	172
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	173
Schedule of Changes in Fiduciary Net Position – Budget and Actual	
Police Pension – Pension Trust Fund	174
Firefighters’ Pension – Pension Trust Fund	175
Combining Statement of Changes in Assets and Liabilities – Agency Funds	176 - 177
Consolidated Year-End Financial Report	178
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters	179 - 180
Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards	

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## TABLE OF CONTENTS

### PAGE

### STATISTICAL SECTION (Unaudited)

#### SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation Refunding Bonds of 2010	181
General Obligation Refunding Bonds of 2011	182
General Obligation Refunding Bonds of 2012A	183
General Obligation Refunding Bonds of 2013	184
General Obligation Bonds of 2014	185
General Obligation Bonds of 2016	186
General Obligation Bonds of 2018	187
Net Position by Component – Last Ten Fiscal Years	188 - 189
Changes in Net Position – Last Ten Fiscal Years	190 - 193
Fund Balances of Governmental Funds – Last Ten Fiscal Years	194 - 195
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years	196 - 197
Police Pension Fund Tax Levies and Contributions – Last Ten Tax Levy Years	198
Firefighters' Pension Fund Tax Levies and Contributions – Last Ten Tax Levy Years	199
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	200 - 201
Direct and Overlapping Property Tax Rates– Last Ten Tax Levy Years	202 - 203
Principal Property Tax Payers – Current Fiscal Year and Nine Fiscal Years Ago	204
Property Tax Levies and Collections – Last Ten Tax Levy Years	205
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	206
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	207
Schedule of Direct and Overlapping Governmental Activities Debt	208
Legal Debt Margin	209
Pledged-Revenue Coverage – Last Ten Fiscal Years	210 - 211
Demographic and Economic Statistics – Last Ten Fiscal Years	212
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	213
Full-Time Equivalent Village Government Employees by Function/Program	
Last Ten Fiscal Years	214 - 215
Operating Indicators by Function/Program – Last Ten Fiscal Years	216 - 217
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	218 - 219

## **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, 2018**

---

**VILLAGE BOARD**

Thomas W. Hayes, Village President

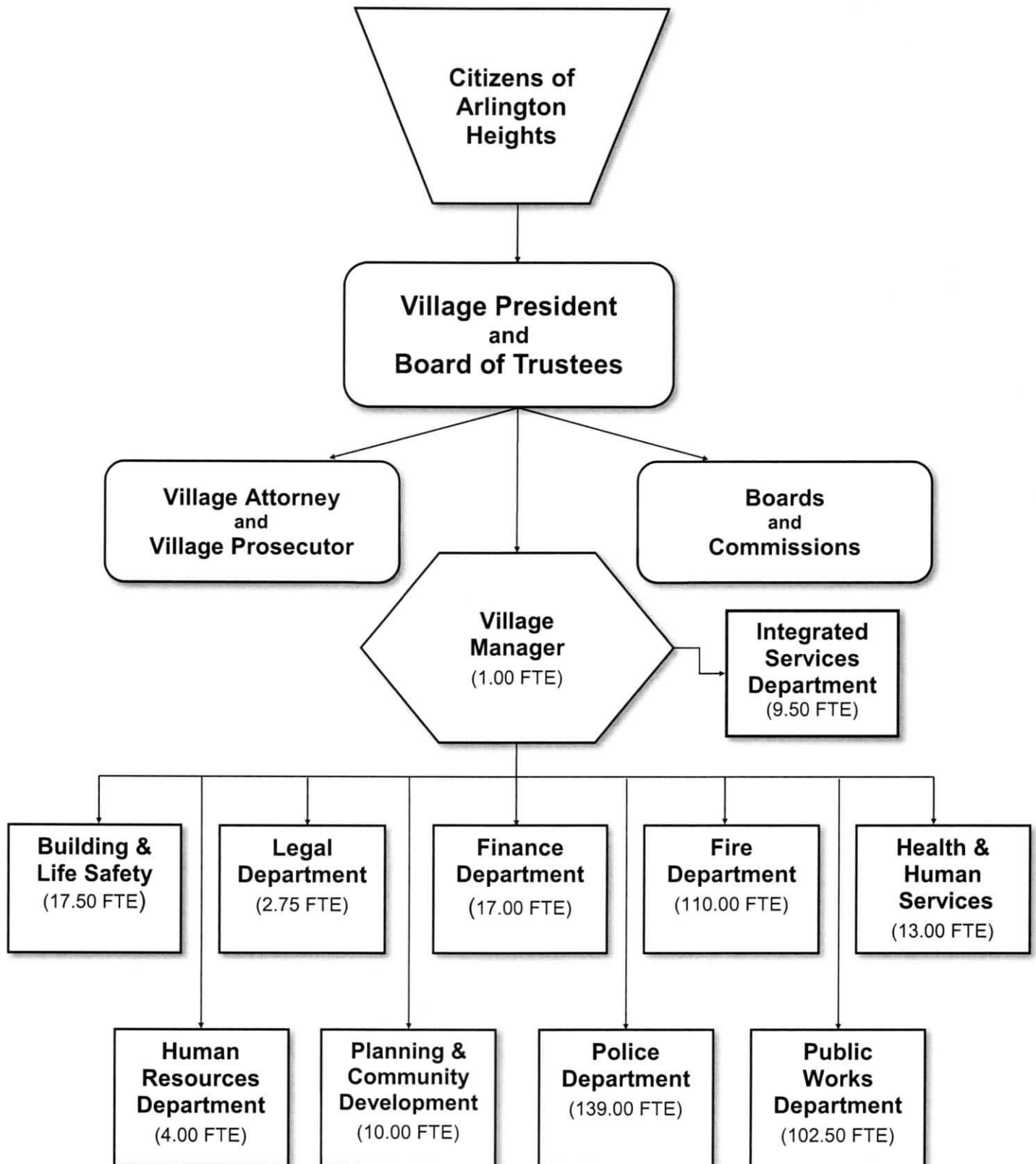
Carol Blackwood	Bert Rosenberg
Richard Baldino	John Scaletta
Thomas Glasgow	Michael Sidor
Robin La Bedz	Jim Tinaglia

**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

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

April 22, 2019

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, 2018, 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, 2018, 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, 2018, 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 75% residential and 25% 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 40.3% 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 2018. 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 \$320 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. In addition to the Arlington Downs development, another large project has been approved and will be the focus of the downtown area over the next four years. Arlington 425 is a \$150 million development consisting of a three-building residential and commercial campus along with a six-story parking garage.

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, 2018; 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 \$7.6 million was spent on the ongoing street resurfacing and street reconstruction programs.
- \$2.4 million was spent on water and sewer rehabilitation and replacement projects.
- Other significant capital expenses included:
  - \$1,211,800 toward the replacement of Village vehicles;
  - \$1,443,000 on storm water control improvements;
  - \$142,000 for municipal parking lot improvements;
  - \$23,740,000 toward the new Police Station.

### **Relevant Financial Policies**

During 2018, while still maintaining a healthy surplus, the General Fund transferred surplus funds to the Municipal Parking Operations Fund to help cover future downtown parking improvements. The General Fund also transferred surplus funds to the Police and Fire Pension Funds to lessen a portion of the unfunded liability which will save future property tax dollars.

Completed a four-year program to rehabilitate all four parking garages, including all the floors and the roofs of the North Garage and the Vail Garage.

The Police Department acquired a Mobile Command Center utilizing Seizure Funds, which will allow police officers to have all the necessary functions and equipment as first responders in a single area, all while being able to move throughout the Village as needed.

## 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, 2017. This was the twenty-ninth 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.

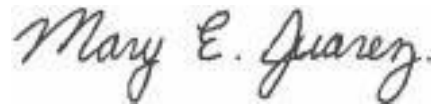
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 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,



Thomas F. Kuehne  
Finance Director/Treasurer



Mary E. Juarez  
Assistant Finance Director



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, 2017**

*Christopher P. Morrell*

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 22, 2019

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Arlington Heights, Illinois, as of and for the year ended December 31, 2018, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village'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, 2018, and the respective changes in financial position

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

### *Other Information*

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

The combining and individual fund financial statements and budgetary comparison 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

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

# **The VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

**December 31, 2018**

---

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 3) and the Village's financial statements (beginning on Page 23).

### **Financial Highlights**

- The Village's beginning net position was restated due to the implementation of GASB Statement No. 75. Governmental activities beginning net position decreased by \$15.3 million and business-type activities decreased by \$620k.
- The Village's total net position increased by \$9.3 million or 5.9% during the calendar year ending December 31, 2018. The governmental net position increased by \$8.1 million and the business-type activities net position increased by \$1.3 million.
- The Village's combined Governmental Funds ending fund balance decreased by \$9.8 million.
- At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$30,359,683 or 40.3% 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 23-26) 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 25-26) 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.

(See independent auditor's report.)

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

---

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund Financial Statements allow the demonstration of source and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

#### *Governmental Funds*

The Governmental Major Fund presentation (see Pages 27-32) 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 17 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service, Capital Projects, Stormwater Control, and Public Building 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 nonmajor 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 33-36) 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 37-38). 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 29 and 32). 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 39-101 of this report.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Pages 102-114 of this report. The combining and individual fund statements for the governmental, enterprise and internal service funds are presented on Pages 115-180 of this report, immediately following the required supplementary information.

### Infrastructure Assets

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

## GOVERNMENT-WIDE STATEMENTS

### Statement of Net Position

The Village's combined net position decreased by \$9.4 million from 2017, increasing from a restated \$159.6 million to \$169.0 million. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities increased by \$8.1 million from a restated \$113.2 million to \$121.3 million. Table 1 reflects the condensed Statement of Net Position compared to 2017. 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, 2018 (In Millions)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
<b>Assets</b>						
Current & Other Assets	\$ 152.2	\$ 154.9	\$ 26.4	\$ 24.3	\$ 178.6	\$ 179.2
Capital Assets	205.9	183.0	26.3	27.0	232.2	210.0
<b>Total Assets</b>	<b>358.1</b>	<b>337.9</b>	<b>52.7</b>	<b>51.3</b>	<b>410.8</b>	<b>389.2</b>
Deferred Outflows of Resources	<b>28.7</b>	<b>10.0</b>	<b>2.7</b>	<b>0.9</b>	<b>31.4</b>	<b>10.9</b>
<b>Liabilities</b>						
Current Liabilities	22.3	16.8	1.1	1.1	23.4	17.9
Long-Term Liabilities	193.0	137.1	6.1	1.2	199.1	138.3
<b>Total Liabilities</b>	<b>215.3</b>	<b>153.9</b>	<b>7.2</b>	<b>2.3</b>	<b>222.5</b>	<b>156.2</b>
Deferred Inflows of Resources	<b>50.2</b>	<b>65.5</b>	<b>0.5</b>	<b>2.9</b>	<b>50.7</b>	<b>68.4</b>
<b>Net Position</b>						
Net Investment in Capital Assets	152.5	149.1	26.3	27.0	178.8	176.1
Restricted	37.2	24.2	0.0	0.0	37.2	24.2
Unrestricted	(68.4)	(44.8)	21.4	20.0	(47.0)	(24.8)
<b>Total Net Position</b>	<b>\$ 121.3</b>	<b>\$ 128.5</b>	<b>\$ 47.7</b>	<b>\$ 47.0</b>	<b>\$ 169.0</b>	<b>\$ 175.5</b>

(See independent auditor's report.)

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

---

### **Normal Impacts on Net Position**

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

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

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

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

**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 \$9.4 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$8.1 million and the business-type activities net position increasing \$1.3 million. The governmental activities total assets and deferred outflow of resources increased by \$38.9 million and the governmental activities total liabilities and deferred inflows of resources increased by \$46.1 million.

The governmental activities total assets increase of \$20.2 million is due to a \$2.7 million decrease in current assets and a \$22.9 million increase in capital assets. The governmental activities current assets decrease of \$2.7 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 \$22.9 million increase in capital assets was mainly from the increase in the governmental activity capital assets due to the addition of the new Police Building. These additions were offset by the Village's public buildings and vehicles annual depreciation which decreases capital assets.

Total governmental activity liabilities were \$61.4 million over the prior year. The increase is due to several combined increases. The Net Pension liabilities increased \$33.9 million due to the decreased amount of Net Investment Income received for the year. General Obligation Bonds Payable increased \$3.9 million due to the 2018 Bonds issued for the Storm Sewer Infrastructure projects. In addition, Accounts Payable increased \$5.6 million mainly due to the Public Building Fund and an increase in the remaining payables.

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

---

The Village's other post-employment benefits (OPEB) obligation increased by \$18 million due to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 75. The Village must now recognize the full liability associated with explicit and implicit post-employment benefits, rather than a portion as was done in prior years under GASB 45. The only explicit OPEB offered by the Village is 100% lifetime 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 bi-annual 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, 2018, 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, 2019, 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 \$1.4 million from \$51.3 million to \$52.7 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 increased \$4.9 million mainly from an increase in the IMRF Net Pension Liability, which was affected from the decreased amount of Net Investment Income received for the year.

### **Changes in Net Position**

The Village's combined change in net position increased by \$9.4 million from a restated \$159.6 million to \$169.0 million in 2018. The Village's total revenue increased by \$8.4 million. The Village's cost of all programs increased by \$7.0 million. The following table shows the condensed revenues and expenses of the Village's activities:



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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
<b>Revenue</b>						
Program Revenues						
Charges for Services	\$ 15.1	\$ 12.8	\$ 21.0	\$ 20.9	\$ 36.1	\$ 33.7
Operating Grants	2.8	2.6	0.0	0.0	2.8	2.6
Capital Grants	0.3	0.9	0.0	0.0	0.3	0.9
General Revenues						
Property Taxes & Replacement Taxes	37.4	35.5	0.0	0.0	37.4	35.5
Other Taxes	40.7	38.7	0.7	0.2	41.4	38.9
Other Revenue	4.2	2.3	0.1	0.0	4.3	2.3
<b>Total Revenues</b>	<b>\$ 100.5</b>	<b>\$ 92.8</b>	<b>\$ 21.8</b>	<b>\$ 21.1</b>	<b>\$ 122.3</b>	<b>\$ 113.9</b>
<b>Expenses</b>						
Governmental Activities						
General Government	13.5	5.6	0.0	0.0	13.5	5.6
Public Safety	48.3	46.6	0.0	0.0	48.3	46.6
Highways & Streets	19.4	19.6	0.0	0.0	19.4	19.6
Community Development	7.0	8.0	0.0	0.0	7.0	8.0
Health & Welfare	2.3	4.0	0.0	0.0	2.3	4.0
Interest	1.9	1.9	0.0	0.0	1.9	1.9
Business Type						
Water & Sewer	0.0	0.0	18.2	18.1	18.2	18.1
Solid Waste Disposal	0.0	0.0	1.5	1.3	1.5	1.3
Arts, Ent. & Events	0.0	0.0	0.8	0.8	0.8	0.8
<b>Total Expenses</b>	<b>\$ 92.4</b>	<b>\$ 85.7</b>	<b>\$ 20.5</b>	<b>\$ 20.2</b>	<b>\$ 112.9</b>	<b>\$ 105.9</b>
Change in Net Position	8.1	7.1	1.3	0.9	9.4	8.0
Beginning Net Position - As Restated	113.2	121.4	46.4	46.1	159.6	167.5
<b>Ending Net Position</b>	<b>\$ 121.3</b>	<b>\$ 128.5</b>	<b>\$ 47.7</b>	<b>\$ 47.0</b>	<b>\$ 169.0</b>	<b>\$ 175.5</b>

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

---

### Normal Impacts on Revenues and Expenses

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

#### Revenues:

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

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

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

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

#### Expenses:

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

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

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

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

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

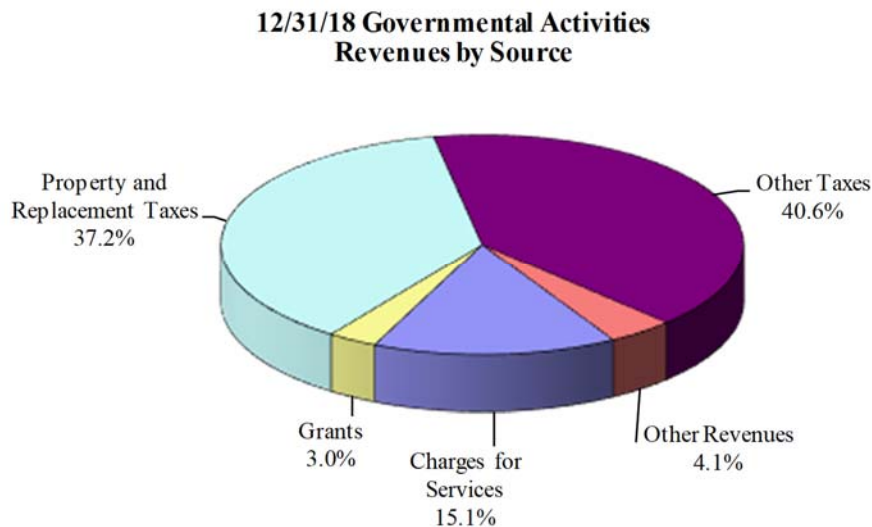
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

---

### Current Year Impacts

#### Governmental Activities

##### Revenues:



For the fiscal year ended December 31, 2018, revenues from Governmental Activities totaled \$100.5 million, which was \$7.7 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 \$37.4 million and representing 37.2% of total Government Activity revenue. This includes property tax increment revenue generated by the Village's tax increment financing (TIF) districts, which brought in \$1.9 million during the calendar year. Property tax receipts increased about \$1.9 million compared to the prior calendar year. This is largely a result of an overall increase of tax receipts during the year for the General Fund.

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 \$40.7 million representing 40.6% of the total Governmental Activity revenue. Village sales tax receipts increased by about \$.9 million. Income tax receipts came in higher than last year, increasing by about \$294,200. Telecommunication tax receipts decreased by about \$.1 million or 6%. Electric and natural gas utility tax receipts increased by about \$429,500.

Charges for Services came in at \$15.1 million or 15.1% 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 \$2.3 million.

Grants decreased by about \$.4 million from the prior year. This decrease is due primarily to Grant revenue recognized in the Capital Projects Fund in the prior year.

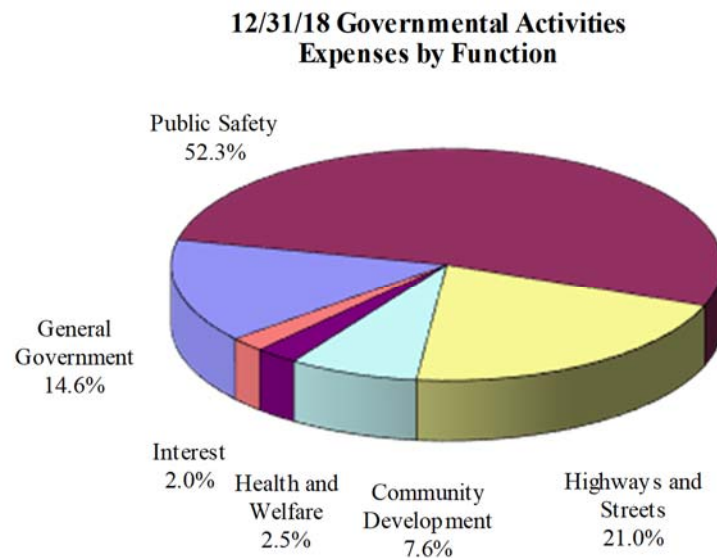
(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

---

### Expenses:



### Expenses:

For the year ended December 31, 2018, expenses from Governmental Activities totaled \$92.4 million, an increase of \$6.7 million or 7.8% 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 \$0.7 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 decreased by approximately \$54,000 from the prior year.

#### Expenses:

Expenses from business-type activities increased by about \$0.3 million compared to the prior year. The main reason was due to an increase in the operating and contractual services in the Water and Sewer Fund and an additional 7,500 tons of solid waste delivered over the committed tons to the Solid Waste Agency.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**Table 3: General Fund Budgetary Highlights**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
Revenues	\$ 74,276,100	\$ 74,276,100	\$ 75,727,450
Expenditures	74,453,700	77,822,677	75,374,451
Excess of Revenues			
Over Expenditures	\$ (177,600)	\$ (3,546,577)	\$ 352,999
Other Financing Sources (Uses)	180,000	(295,012)	(295,012)
<b>Net Changes in Fund Balance</b>	<b>\$ 2,400</b>	<b>\$ (3,841,589)</b>	<b>\$ 57,987</b>

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

***Governmental Funds***

At December 31, 2018, the Governmental Funds (as presented on Page 27-28) reported a combined fund balance of \$76,594,064, which is an 11.3% decrease from the beginning of the year balance of \$86,382,209. Of the total fund balance, \$29,154,102 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 \$37,423,894 include \$2,197,027 for debt service, \$10,668,102 for capital projects, \$2,438,566 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), \$2,300,744 for highways and streets (MFT Fund), and \$4,931,549 for community development (TIF Funds), and \$14,887,906 for the Storm Water 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 \$9,624,117 includes \$3,703,551 for Public Building, \$4,714,985 for public parking, and \$1,205,581 for other miscellaneous purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$58,000 or less than one percent above December 31, 2017. Revenues came in over expenditures by \$353,000.

***Proprietary Funds***

At December 31, 2018 the Proprietary Funds (as presented on Pages 33-36) total net position increased by \$1.3 million or 2.7%. Accumulated depreciation increased by \$1.9 million and depreciable assets increased by \$1.2 million.

In the Water & Sewer Fund cash and investments increased by \$1.1 million due to planned expenses and Capital Outlay coming in lower than revenues by \$.7 million. In addition, the Village received a member rebate of \$218,000 from the Northwest Water Commission, along with a \$233,700 operating transfer in from closed Special Assessment Funds. Solid Waste Disposal Fund cash and investments increased by \$137,200. In the Arts, Entertainment and Events Fund cash and investments increased \$27,000.

(See independent auditor's report.)

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

---

Over the course of the fiscal year, as shown on page 114 the Village amended the General Fund expenditure budget at various times for a total of \$3,843,977 or 6 % over the original budget. The expenditure budget amendments can be summarized as follows:

\$ 212,146	Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year.
\$ 3,000,000	General Fund Surplus Transfers for Public Safety Pensions
\$ 475,000	General Fund Surplus Transfers for Parking Fund
\$ 156,831	Miscellaneous Budget Amendments.
<u>\$ 3,843,977</u>	Total General Fund expenditure budget amendments.

General Fund revenues ended the fiscal year \$1.5 million over the final budget. Sales, home rule sales, and State use tax receipts came in a combined \$502,200 over budget. Income tax receipts outperformed the budget by \$499,000. Food and Beverage Tax came in over budget by \$76,900. Cable Franchise fees came in under budget by \$120,300. Electric utility tax receipts came in \$113,200 under budget, and natural gas utility tax receipts came in over budget by \$186,900. Building permit revenue came in over budget by \$553,900. Telecommunications tax receipts came in under budget by \$362,900. Ambulance service charges came in under budget by \$147,700, however the revenues were \$850,000 over prior year's ambulance charges due to the increase in the Ambulance Transport Fee to cover the rising costs of providing emergency medical services.

The year-end results for General Fund expenditures were positive as expenditures came in under budget by \$2.4 million. Of this amount, salary and fringe benefit expenditures for the Police Department came in under budget by \$500,000, due to normal and temporary workers' compensation related vacancies. Public Safety Pension Contributions were higher than the prior year due to the Board approved \$1,500,000 additional contribution to each pension fund. Training was under budget by \$50,000 for both the Police and Fire Departments. Petroleum products did come in over budget across all the funds by \$40,000 due to the increase in fuel costs. Engineering was under budget in Contractual Services Professional Services being under budget. The Public Works Department was under budget \$313,100 in Contractual Services due to Equipment and Building Maintenance. Public Works was also under budget in Commodities by \$579,000 largely due to Street and Sidewalk Maintenance, Building, and Other Supplies coming in under budget.

The General Fund's total net change in fund balance increased by \$58,000 as a result of revenues coming in over expenditures by \$353,000 net of other financing uses totaling \$295,000.

### CAPITAL ASSETS

At the end of FY2018, the Village had a combined total of \$232.2 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 60-61 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net increase (including additions and deletions) of \$22.19 million. Table 5 focuses on the changes in capital assets of the governmental and business-type activities.

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

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$12.43	\$12.43	\$3.12	\$3.12	\$15.55	\$15.55
Land Right-of-Way (ROW)	80.37	80.00	--	--	80.37	80.00
Construction in Progress	0.00	7.00	--	--	0.00	7.00
Building	80.65	55.72	8.68	9.06	89.33	64.78
Machinery & Equipment	9.41	9.00	2.01	2.18	11.42	11.18
Infrastructure (Streets)	23.09	18.89	--	--	23.09	18.89
Underground Systems (Water & Sewer)	--	--	12.48	12.65	12.48	12.65
<b>Total Capital Assets, Net</b>	<b>\$205.95</b>	<b>\$183.04</b>	<b>\$26.29</b>	<b>\$27.01</b>	<b>\$232.24</b>	<b>\$210.05</b>

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

	Governmental Activities	Business-Type Activities	Total
<b>Beginning Balance</b>	\$183.04	\$27.00	\$210.04
<b>Additions</b>			
Depreciable	35.51	0.62	36.13
Non-Depreciable	0.37	-	0.37
CIP	-	-	-
<b>Retirements</b>			
Depreciable	(3.80)	-	(3.80)
Non-Depreciable	-	-	-
CIP	(6.99)	-	(6.99)
<b>Depreciation</b>	(5.90)	(1.33)	(7.23)
Retirement	3.72	-	3.72
<b>Ending Balance</b>	<b>\$205.95</b>	<b>\$26.29</b>	<b>\$232.24</b>

The governmental activities net capital assets increased by \$22.9 million or 13% due to the right-of-way additions of \$.4 million, Buildings of \$2,496.9 million and Equipment and Vehicles of \$.4 million, and infrastructure of \$4.2 million. These additions are netted against Depreciation Expense of \$5.9 million. For business-type activities, the capital assets net of depreciation decreased by \$.7 million or 2.6% due primarily to depreciation on existing assets.

**DEBT OUTSTANDING**

As of December 31, 2018 total General Obligation Bonds outstanding for governmental activities amounted to \$63.1 million. Of this amount, \$50.1 million for reconstruction of public buildings, \$1.1 million for the NWCDS building, \$2.3 million is for road improvements, and \$9.5 million for Storm Water Sewer Improvements. 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 63-67.

(See independent auditor's report.)

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

---

**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.



## **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, 2018**

---

**See Following Page**

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Statement of Net Position

December 31, 2018

	Governmental Activities	Business- Type Activities	Totals	Component Unit Arlington Heights Memorial Library
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 101,438,683	\$ 6,666,087	\$ 108,104,770	\$ 13,215,212
Receivables - Net of Allowances				
Property Taxes	39,083,731	-	39,083,731	14,249,157
Other Taxes	6,867,368	-	6,867,368	-
Accounts	-	2,536,436	2,536,436	61,271
Accrued Interest	129,519	8,016	137,535	19,631
Other	4,198,875	118,001	4,316,876	-
Prepays/Inventories	504,096	755,094	1,259,190	416,628
Total Current Assets	152,222,272	10,083,634	162,305,906	27,961,899
Noncurrent Assets				
Capital Assets				
Nondepreciable	92,802,418	3,124,150	95,926,568	197,378
Depreciable	220,785,531	104,233,304	325,018,835	20,954,008
Accumulated Depreciation	(107,636,146)	(81,067,675)	(188,703,821)	(12,586,242)
	205,951,803	26,289,779	232,241,582	8,565,144
Other Assets				
Invested in Joint Venture	-	16,305,339	16,305,339	-
Total Noncurrent Assets	205,951,803	42,595,118	248,546,921	8,565,144
Total Assets	358,174,075	52,678,752	410,852,827	36,527,043
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	8,777,720	2,559,483	11,337,203	4,015,422
Deferred Items - Police Pension	9,910,031	-	9,910,031	-
Deferred Items - Firefighters' Pension	6,352,365	-	6,352,365	-
Deferred Items - RBP	3,022,812	186,152	3,208,964	52,409
Unamortized Loss on Refunding	632,678	-	632,678	-
Total Deferred Outflows of Resources	28,695,606	2,745,635	31,441,241	4,067,831
Total Assets and Deferred Outflows of Resources	386,869,681	55,424,387	442,294,068	40,594,874

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
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 10,232,681	\$ 936,421	\$ 11,169,102	\$ 310,119
Accrued Payroll	1,127,920	121,269	1,249,189	363,973
Accrued Interest	256,598	-	256,598	-
Claims Payable	2,228,351	-	2,228,351	-
Other Payables	2,102,140	-	2,102,140	3,798
Current Portion of				
Long-Term Liabilities	6,374,494	43,354	6,417,848	64,215
Total Current Liabilities	22,322,184	1,101,044	23,423,228	742,105
Noncurrent Liabilities				
Compensated Absences Payable	1,534,151	173,415	1,707,566	256,861
Net Pension Liability - IMRF	17,327,286	5,052,438	22,379,724	7,926,473
Net Pension Liability - Police Pension	44,003,492	-	44,003,492	-
Net Pension Liability - Firefighters' Pension	47,303,733	-	47,303,733	-
Total OPEB Liability - RBP	23,648,818	884,719	24,533,537	348,295
General Obligation Bonds Payable - Net	59,191,675	-	59,191,675	-
Total Noncurrent Liabilities	193,009,155	6,110,572	199,119,727	8,531,629
Total Liabilities	215,331,339	7,211,616	222,542,955	9,273,734
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	1,607,626	468,765	2,076,391	735,418
Deferred Items - Police Pension	4,289,433	-	4,289,433	-
Deferred Items - Firefighters' Pension	4,217,734	-	4,217,734	-
Deferred Items - RBP	939,963	67,539	1,007,502	28,760
Property Taxes	39,083,731	-	39,083,731	14,249,157
Grants	93,875	-	93,875	-
Total Deferred Inflows of Resources	50,232,362	536,304	50,768,666	15,013,335
Total Liabilities and Deferred Inflows of Resources	265,563,701	7,747,920	273,311,621	24,287,069
<b>NET POSITION</b>				
Net Investment in Capital Assets	152,560,713	26,289,779	178,850,492	8,565,144
Restricted - Debt Service	1,940,429	-	1,940,429	-
Restricted - Capital Projects	10,668,102	-	10,668,102	-
Restricted - Motor Fuel Taxes	2,300,744	-	2,300,744	-
Restricted - Foreign Fire Insurance	441,789	-	441,789	-
Restricted - Criminal Investigation	1,996,777	-	1,996,777	-
Restricted - Tax Increment Financing	4,931,549	-	4,931,549	-
Restricted - Stormwater Control	14,887,906	-	14,887,906	-
Restricted - Social Security	-	-	-	383,433
Restricted - Culture, Recreation and Education	-	-	-	7,359,228
Unrestricted (Deficit)	(68,422,029)	21,386,688	(47,035,341)	-
Total Net Position	\$ 121,305,980	\$ 47,676,467	\$ 168,982,447	\$ 16,307,805

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, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 13,489,797	\$ 4,649,160	\$ 23,000	\$ -
Public Safety	48,323,843	3,760,239	575,866	-
Highways and Streets	19,351,823	5,238,289	1,922,259	297,950
Health and Welfare	2,312,172	16,692	-	-
Community Development	7,010,034	1,479,730	236,769	-
Interest on Long-Term Debt	1,881,323	-	-	-
Total Governmental Activities	92,368,992	15,144,110	2,757,894	297,950
Business-Type Activities				
Water and Sewer	18,246,576	18,967,266	-	-
Solid Waste Disposal	1,468,304	1,892,921	-	-
Arts, Entertainment and Events	820,253	131,426	-	-
Total Business-Type Activities	20,535,133	20,991,613	-	-
Total Primary Government	\$ 112,904,125	\$ 36,135,723	\$ 2,757,894	\$ 297,950
Component Unit				
Arlington Heights Memorial Library	\$ 14,894,101	\$ 198,605	\$ 166,365	\$ -

### 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 as Restated

Net Position - Ending

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

Net (Expense)/Revenue			
Governmental Activities	Primary Government		Component Unit
	Business- Type Activities	Totals	Arlington Heights Memorial Library
\$ (8,817,637)	\$ -	\$ (8,817,637)	\$ -
(43,987,738)	-	(43,987,738)	-
(11,893,325)	-	(11,893,325)	-
(2,295,480)	-	(2,295,480)	-
(5,293,535)	-	(5,293,535)	-
(1,881,323)	-	(1,881,323)	-
(74,169,038)	-	(74,169,038)	-
-	720,690	720,690	-
-	424,617	424,617	-
-	(688,827)	(688,827)	-
-	456,480	456,480	-
(74,169,038)	456,480	(73,712,558)	-
-	-	-	(14,529,131)
36,975,524	-	36,975,524	13,782,978
5,417,711	-	5,417,711	-
7,155,629	-	7,155,629	-
2,076,857	692,286	2,769,143	-
1,078,944	-	1,078,944	-
2,437,145	-	2,437,145	-
129,452	-	129,452	-
304,679	-	304,679	-
14,955,437	-	14,955,437	-
422,905	-	422,905	-
7,192,128	-	7,192,128	-
1,616,187	93,529	1,709,716	248,918
2,006,603	499,882	2,506,485	39,163
479,988	(479,988)	-	-
82,249,189	805,709	83,054,898	14,071,059
8,080,151	1,262,189	9,342,340	(458,072)
113,225,829	46,414,278	159,640,107	16,765,877
\$ 121,305,980	\$ 47,676,467	\$ 168,982,447	\$ 16,307,805

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

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Balance Sheet - Governmental Funds

December 31, 2018

	General
<b>ASSETS</b>	
Cash and Investments	\$ 29,175,560
Receivables - Net of Allowances	
Property Taxes	24,789,440
Other Taxes	6,249,538
Accrued Interest	35,427
Other	1,245,009
Due from Other Funds	186,002
Prepays/Inventories	345,557
Total Assets	<u>\$ 62,026,533</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,837,532
Accrued Payroll	1,072,600
Due to Other Funds	3,617,522
Other Payables	4,199
Total Liabilities	<u>6,531,853</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	24,789,440
Grants	-
Total Deferred Inflows of Resources	<u>24,789,440</u>
Total Liabilities and Deferred Inflows of Resources	<u>31,321,293</u>
<b>FUND BALANCES</b>	
Nonspendable	345,557
Restricted	-
Assigned	1,205,581
Unassigned	29,154,102
Total Fund Balances	<u>30,705,240</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,026,533</u>

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

Debt Service	Capital Projects			Nonmajor	Totals
	Capital Projects	Stormwater Control	Public Building		
\$ 2,177,973	\$ 10,422,892	\$ 15,054,784	\$ 6,663,081	\$ 14,114,093	\$ 77,608,383
6,953,207	5,454,000	-	-	1,887,084	39,083,731
-	454,714	-	-	163,116	6,867,368
-	11,241	11,323	35,444	10,400	103,835
19,482	438,892	176,322	3,918	2,252,066	4,135,689
-	-	-	-	475,000	661,002
-	26,993	-	-	19,401	391,951
\$ 9,150,662	\$ 16,808,732	\$ 15,242,429	\$ 6,702,443	\$ 18,921,160	\$ 128,851,959
\$ 428	\$ 659,309	\$ 354,523	\$ 2,998,892	\$ 239,633	\$ 6,090,317
-	328	-	-	11,380	1,084,308
-	-	-	-	186,002	3,803,524
-	-	-	-	2,097,941	2,102,140
428	659,637	354,523	2,998,892	2,534,956	13,080,289
6,953,207	5,454,000	-	-	1,887,084	39,083,731
-	-	-	-	93,875	93,875
6,953,207	5,454,000	-	-	1,980,959	39,177,606
6,953,635	6,113,637	354,523	2,998,892	4,515,915	52,257,895
-	26,993	-	-	19,401	391,951
2,197,027	10,668,102	14,887,906	-	9,670,859	37,423,894
-	-	-	3,703,551	4,714,985	9,624,117
-	-	-	-	-	29,154,102
2,197,027	10,695,095	14,887,906	3,703,551	14,405,245	76,594,064
\$ 9,150,662	\$ 16,808,732	\$ 15,242,429	\$ 6,702,443	\$ 18,921,160	\$ 128,851,959

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, 2018

---

---

<b>Total Governmental Fund Balances</b>	<b>\$ 76,594,064</b>
---	----------------------

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	205,951,803
Less: Internal Service Funds	(8,550,294)

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.

28,969,543

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

Deferred Items - IMRF	7,170,094
Deferred Items - Police Pension	5,620,598
Deferred Items - Firefighters' Pension	2,134,631
Deferred Items - RBP	2,032,710

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

Compensated Absences Payable	(1,788,462)
Net Pension Liability - IMRF	(17,327,286)
Net Pension Liability - Police Pension	(44,003,492)
Net Pension Liability - Firefighters' Pension	(47,303,733)
Total OPEB Liability - RBP	(23,387,644)
General Obligation Bonds Payable	(63,065,000)
Unamortized Bond Premium	(2,117,632)
Unamortized Loss on Refunding	632,678
Accrued Interest Payable	(256,598)

<b>Net Position of Governmental Activities</b>	<b><u>\$ 121,305,980</u></b>
--	------------------------------

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, 2018**

---

**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, 2018

	<u>General</u>
Revenues	
Taxes	\$ 39,695,762
Intergovernmental	22,825,536
Charges for Services	5,148,018
Licenses, Permits and Fees	6,382,208
Fines and Forfeitures	535,678
Interest	474,478
Miscellaneous	665,770
Total Revenues	<u>75,727,450</u>
Expenditures	
Current	
General Government	4,552,993
Public Safety	50,244,270
Highways and Streets	12,218,641
Health and Welfare	2,186,836
Community Development	6,171,711
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>75,374,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>352,999</u>
Other Financing Sources (Uses)	
Debt Issuance	-
Premium on Debt Issuance	-
Transfers In	200,000
Transfers Out	(495,012)
	<u>(295,012)</u>
Net Change in Fund Balances	57,987
Fund Balances - Beginning	<u>30,647,253</u>
Fund Balances - Ending	<u>\$ 30,705,240</u>

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

Debt Service	Capital Projects			Nonmajor	Totals
	Capital Projects	Stormwater Control	Public Building		
\$ 6,808,309	\$ 7,031,502	\$ -	\$ -	\$ 1,910,916	\$ 55,446,489
-	22,950	-	-	2,632,280	25,480,766
-	-	1,669,322	-	1,310,526	8,127,866
-	-	-	-	-	6,382,208
-	-	-	-	89,631	625,309
71,014	180,183	159,497	270,840	156,145	1,312,157
285,675	527,533	17,649	-	518,703	2,015,330
7,164,998	7,762,168	1,846,468	270,840	6,618,201	99,390,125
-	-	-	-	-	4,552,993
-	-	-	-	730,911	50,975,181
-	-	-	-	1,282,074	13,500,715
-	-	-	-	-	2,186,836
-	-	-	-	438,334	6,610,045
-	7,089,737	1,442,058	23,855,550	2,125,557	34,512,902
5,240,000	-	-	-	-	5,240,000
1,932,000	-	146,904	-	-	2,078,904
7,172,000	7,089,737	1,588,962	23,855,550	4,576,876	119,657,576
(7,002)	672,431	257,506	(23,584,710)	2,041,325	(20,267,451)
-	-	9,530,000	-	-	9,530,000
-	-	469,318	-	-	469,318
736,000	300,000	-	-	475,000	1,711,000
-	-	(736,000)	-	-	(1,231,012)
736,000	300,000	9,263,318	-	475,000	10,479,306
728,998	972,431	9,520,824	(23,584,710)	2,516,325	(9,788,145)
1,468,029	9,722,664	5,367,082	27,288,261	11,888,920	86,382,209
\$ 2,197,027	\$ 10,695,095	\$ 14,887,906	\$ 3,703,551	\$ 14,405,245	\$ 76,594,064

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, 2018

---

---

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (9,788,145)</b>
---	-----------------------

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	27,385,914
Depreciation Expense	(4,500,297)
Disposals - Cost	(2,899,524)
Disposals - Accumulated Depreciation	2,899,524

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

Change in Deferred Items - IMRF	14,115,225
Change in Deferred Items - Police Pension	11,615,230
Change in Deferred Items - Firefighters' Pension	8,463,015
Change in Deferred Items - RBP	2,032,710

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	(84,826)
Increase to Net Pension Liability - IMRF	(14,384,046)
Increase to Net Pension Liability - Police	(11,628,665)
Increase to Net Pension Liability - Firefighters'	(7,914,827)
Additions to Total OPEB Liability - RBP	(2,769,991)
Amortization of Bond Premium	340,957
Amortization of Refunding Loss	(194,580)
Retirement of General Obligation Bonds Payable	5,240,000
Debt Issuance	(9,530,000)
Issuance of Premium on Debt	(322,223)

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.	(95,891)
--	----------

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.

---

100,591

<b>Changes in Net Position of Governmental Activities</b>	<b>\$ 8,080,151</b>
---	---------------------

---

---

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, 2018**

---

**See Following Page**

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Statement of Net Position - Proprietary Funds December 31, 2018

	Business-Type Activities - Enterprise			Governmental Activities
	Water and Sewer	Nonmajor	Totals	Internal Service
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 2,275,448	\$ 4,390,639	\$ 6,666,087	\$ 23,830,300
Receivables - Net of Allowances				
Accounts - Customer	2,536,436	-	2,536,436	-
Accrued Interest	2,414	5,602	8,016	25,684
Other	10,749	107,252	118,001	63,186
Prepays	7,600	99,259	106,859	-
Inventories	648,235	-	648,235	112,145
Total Current Assets	5,480,882	4,602,752	10,083,634	24,031,315
Noncurrent Assets				
Capital Assets				
Nondepreciable	2,648,950	475,200	3,124,150	-
Depreciable	101,652,558	2,580,746	104,233,304	21,231,586
Accumulated Depreciation	(79,954,050)	(1,113,625)	(81,067,675)	(12,681,292)
	24,347,458	1,942,321	26,289,779	8,550,294
Other Assets				
Investment in Joint Venture	16,305,339	-	16,305,339	-
Total Noncurrent Assets	40,652,797	1,942,321	42,595,118	8,550,294
Total Assets	46,133,679	6,545,073	52,678,752	32,581,609
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	2,559,483	-	2,559,483	-
Deferred Items - RBP	186,152	-	186,152	58,876
Total Deferred Outflows of Resources	2,745,635	-	2,745,635	58,876
Total Assets and Deferred Outflows of Resources	48,879,314	6,545,073	55,424,387	32,640,485

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
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 697,535	\$ 238,886	\$ 936,421	\$ 999,842
Accrued Payroll	121,269	-	121,269	43,612
Claims Payable	-	-	-	2,228,351
Compensated Absences Payable	43,354	-	43,354	25,845
Total Current Liabilities	862,158	238,886	1,101,044	3,297,650
Noncurrent Liabilities				
Compensated Absences Payable	173,415	-	173,415	103,381
Net Pension Liability - IMRF	5,052,438	-	5,052,438	-
Total OPEB Liability - RBP	884,719	-	884,719	261,174
Total Noncurrent Liabilities	6,110,572	-	6,110,572	364,555
Total Liabilities	6,972,730	238,886	7,211,616	3,662,205
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Items - IMRF	468,765	-	468,765	-
Deferred Items - RBP	67,539	-	67,539	8,737
Total Deferred Inflows of Resources	536,304	-	536,304	8,737
Total Liabilities and Deferred Inflows of Resources	7,509,034	238,886	7,747,920	3,670,942
<b>NET POSITION</b>				
Investment in Capital Assets	24,347,458	1,942,321	26,289,779	8,550,294
Unrestricted	17,022,822	4,363,866	21,386,688	20,419,249
Total Net Position	\$ 41,370,280	\$ 6,306,187	\$ 47,676,467	\$ 28,969,543

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, 2018

	Business-Type Activities - Enterprise			Governmental Activities
	Water and Sewer	Nonmajor	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 18,856,896	\$ 2,024,347	\$ 20,881,243	\$ 20,892,549
Fines	-	-	-	56,546
Workman's Comp Reimbursements	-	-	-	5,677
Miscellaneous	110,370	-	110,370	1,665,689
Total Operating Revenues	18,967,266	2,024,347	20,991,613	22,620,461
Operating Expenses				
Operations	16,976,949	2,135,867	19,112,816	21,755,423
Depreciation	1,269,627	68,019	1,337,646	1,408,205
Total Operating Expenses	18,246,576	2,203,886	20,450,462	23,163,628
Operating Income (Loss)	720,690	(179,539)	541,151	(543,167)
Nonoperating Revenues (Expenses)				
Food and Beverage Tax	-	692,286	692,286	-
Capital Contributions	-	-	-	275,000
Interest Income	22,923	70,606	93,529	304,030
Other Income	497,617	2,265	499,882	64,728
Other Expenses	-	(84,671)	(84,671)	-
	520,540	680,486	1,201,026	643,758
Income (Loss) Before Transfers	1,241,230	500,947	1,742,177	100,591
Transfers In	-	20,012	20,012	818,986
Transfers Out	-	(500,000)	(500,000)	(818,986)
	-	(479,988)	(479,988)	-
Change in Net Position	1,241,230	20,959	1,262,189	100,591
Net Position - Beginning as Restated	40,129,050	6,285,228	46,414,278	28,868,952
Net Position - Ending	\$ 41,370,280	\$ 6,306,187	\$ 47,676,467	\$ 28,969,543

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, 2018

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 18,967,266	\$ 2,024,347	\$ 20,991,613	\$ -
Interfund Services Provided	-	-	-	22,620,461
Payments to Suppliers	(10,769,017)	(1,889,690)	(12,658,707)	(17,960,769)
Payments to Employees	(6,439,336)	(171,099)	(6,610,435)	(2,462,051)
	<u>1,758,913</u>	<u>(36,442)</u>	<u>1,722,471</u>	<u>2,197,641</u>
Cash Flow from Noncapital Financing Activities				
Food and Beverage Tax	-	692,286	692,286	-
Other Expense	-	(82,406)	(82,406)	-
Transfers In	-	20,012	20,012	818,986
Transfers Out	-	(500,000)	(500,000)	(818,986)
	<u>-</u>	<u>129,892</u>	<u>129,892</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	-	-	-	67,403
Purchase of Capital Assets	(619,736)	-	(619,736)	(1,226,991)
	<u>(619,736)</u>	<u>-</u>	<u>(619,736)</u>	<u>(1,159,588)</u>
Cash Flows from Investing Activities				
Interest Received	<u>22,923</u>	<u>70,606</u>	<u>93,529</u>	<u>304,030</u>
Net Change in Cash and Cash Equivalents	1,162,100	164,056	1,326,156	1,342,083
Cash and Cash Equivalents - Beginning	<u>1,113,348</u>	<u>4,226,583</u>	<u>5,339,931</u>	<u>22,488,217</u>
Cash and Cash Equivalents - Ending	<u>\$ 2,275,448</u>	<u>\$ 4,390,639</u>	<u>\$ 6,666,087</u>	<u>\$ 23,830,300</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 720,690	\$ (179,539)	\$ 541,151	\$ (543,167)
Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation	1,269,627	68,019	1,337,646	1,408,205
Other Income	497,617	-	497,617	64,728
(Increase) Decrease in Current Assets	(2,590,861)	13,106	(2,577,755)	1,139,865
Increase (Decrease) in Current Liabilities	<u>1,861,840</u>	<u>61,972</u>	<u>1,923,812</u>	<u>128,010</u>
Net Cash Provided by Operating Activities	<u>\$ 1,758,913</u>	<u>\$ (36,442)</u>	<u>\$ 1,722,471</u>	<u>\$ 2,197,641</u>

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, 2018

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,980,227	\$ 1,842,952
Investments		
U.S. Treasury Obligations	23,308,028	-
U.S. Agency Obligations	9,589,189	-
U.S. Property Real Estate	14,392,307	-
Corporate and Foreign Corporate Bonds	43,045,130	-
Municipal Bonds	2,745,814	-
Common Stock	44,455,360	-
Mutual Funds	84,051,914	-
Receivables - Net of Allowances		
Accounts	-	620
Accrued Interest	814,237	250
Other	673	-
Due from Other Funds	3,142,522	-
Total Assets	230,525,401	\$ 1,843,822
<b>LIABILITIES</b>		
Accounts Payable	-	9,400
Deposits Payable	-	1,834,405
Other Payables	29,092	17
Total Liabilities	29,092	\$ 1,843,822
<b>NET POSITION</b>		
Net Position Restricted for Pensions	\$ 230,496,309	

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, 2018

	Pension Trust
Additions	
Contributions - Employer	\$ 11,732,000
Contributions - Plan Members	2,209,944
Contributions - Other	12,469
Total Contributions	13,954,413
Investment Income	
Interest Earned	5,343,082
Net Change in Fair Value	(14,464,823)
	(9,121,741)
Less Investment Expenses	(575,622)
Net Investment Income	(9,697,363)
Total Additions	4,257,050
Deductions	
Administration	63,593
Benefits and Refunds	13,969,096
Total Deductions	14,032,689
Change in Fiduciary Net Position	(9,775,639)
Net Position Restricted for Pensions	
Beginning	240,271,948
Ending	\$ 230,496,309

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, 2018**

---

#### **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, 2018**

---

#### **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, 2018**

---

### **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.

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:

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

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. The TIF I South, TIF II North, and TIF III Funds were closed as of December 31, 2017.

*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.

*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.



## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Notes to the Financial Statements December 31, 2018

---

#### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

*Capital Projects Funds – Continued.* The Stormwater Control Fund, also a major 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 \$20,000,000 General Obligation Bonds, Series 2006 and the \$32,900,000 General Obligation Bonds, Series 2016. 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. The Emerald Ash Borer Fund closed as of December 31, 2017.

##### 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, 2018

---

### 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, 2018**

---

### **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, 2018**

---

### **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, 2018

---

### 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 prepays/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 prepays 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, depending on asset class, 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, 2018**

---

### **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/reduction 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, 2018**

---

#### **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, 2018

---

### 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
Health and Life Insurance	\$ 816,069
Workers' Compensation	104,301

### 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, obligations of States and their political subdivisions, 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.



# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

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.

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. The Illinois Funds is not registered with the SEC as an investment company. 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 \$26,530,143 and the bank balances totaled \$27,029,374.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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	\$ 26,637,708	\$ 26,637,708	\$ -	\$ -	\$ -
Commercial Paper	1,968,618	1,968,618	-	-	-
Illinois Funds	18,307,037	18,307,037	-	-	-
IMET	34,661,264	34,661,264	-	-	-
	<u>\$ 81,574,627</u>	<u>\$ 81,574,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Village has the following recurring fair value measurements as of December 31, 2018:

Investments by Fair Value Level	Totals	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	\$ 26,637,708	\$ 26,637,708	\$ -	\$ -
Investments Measured at the Net Asset Value (NAV)				
Commercial Paper	1,968,618			
Illinois Funds	18,307,037			
IMET	34,661,264			
Total Investments Measured at NAV	<u>54,936,919</u>			
Total Investments Measured at Fair Value	<u>\$ 81,574,627</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, 2018

---

#### 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 Moody's and the Commercial Paper is not rated. The investment ratings for the U.S. Treasury Obligations, IMET 1-3 Year Fund and the investment in the IMET Convenience Fund are not available.

*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 \$3,850,543 and the bank balances totaled \$3,850,759.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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	\$ 15,381,844	\$ 1,185,166	\$ 9,619,245	\$ 4,577,433	\$ -
U.S. Agency Obligations	995,476	-	147,145	544,311	304,020
Corporate and Foreign Corporate Bonds	23,962,595	347,352	7,843,284	13,274,642	2,497,317
Municipal Bonds	1,095,253	-	154,974	455,310	484,969
	<u>\$ 41,435,168</u>	<u>\$ 1,532,518</u>	<u>\$ 17,764,648</u>	<u>\$ 18,851,696</u>	<u>\$ 3,286,306</u>

The Fund has the following recurring fair value measurements as of December 31, 2018:

Investments by Fair Value Level	Totals	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	\$ 15,381,844	\$ 15,381,844	\$ -	\$ -
U.S. Agency Obligations	995,476	-	995,476	-
Corporate and Foreign Corporate Bonds	23,962,595	-	23,962,595	-
Municipal Bonds	1,095,253	-	1,095,253	-
Equity Securities				
Common Stock	39,399,085	39,399,085	-	-
Mutual Funds	37,032,152	37,032,152	-	-
Total Investments Measured at Fair Value	<u>\$ 117,866,405</u>	<u>\$ 91,813,081</u>	<u>\$ 26,053,324</u>	<u>\$ -</u>

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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.

*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 Standard and Poor's. The corporate bonds and foreign corporate bonds, and municipal bonds were rate AA-BBB by Standard and Poor's.

*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 \$37,032,152 invested in mutual funds and \$39,399,085 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.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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 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%	3.25% - 5.50%
Domestic Equities	5.00% - 52.00%	5.25% - 6.00%
International Equities	5.00%	6.75%
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.

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 2019 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, 2018, are listed in the table above.

#### Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.03%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$1,129,684 and the bank balances totaled \$1,130,227.

*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	\$ 7,926,184	\$ 372,188	\$ 3,093,274	\$ 4,460,722	\$ -
U.S. Agency Obligations	8,593,713	1,175,012	1,503,106	2,627,904	3,287,691
U.S. Property Real Estate	14,392,307	14,392,307	-	-	-
Corporate and Foreign Corporate Bonds	19,082,535	-	14,692,686	4,389,849	-
Municipal Obligations	1,650,561	232,220	1,206,243	212,098	-
	<u>\$ 51,645,300</u>	<u>\$ 16,171,727</u>	<u>\$ 20,495,309</u>	<u>\$ 11,690,573</u>	<u>\$ 3,287,691</u>

The Fund has the following recurring fair value measurements as of December 31, 2018:

Investments by Fair Value Level	Totals	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	\$ 7,926,184	\$ 7,926,184	\$ -	\$ -
U.S. Agency Obligations	8,593,713	-	8,593,713	-
U.S. Property Real Estate	14,392,307	-	14,392,307	-
Corporate and Foreign Corporate Bonds	19,082,535	-	19,082,535	-
Municipal Bonds	1,650,561	-	1,650,561	-
Equity Securities				
Common Stock	5,056,275	5,056,275	-	-
Mutual Funds	47,019,762	47,019,762	-	-
Total Investments by Fair Value Level	<u>\$ 103,721,337</u>	<u>\$ 60,002,221</u>	<u>\$ 43,719,116</u>	<u>\$ -</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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

*Investments – Continued.* Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*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.

*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 \$5,056,275 invested in common stock and \$47,019,762 invested in mutual funds. At December 31, 2018, the Fund's investment in U.S. Property Real Estate of \$14,392,307 exceeded 5% of the Fund's total investments. This is in compliance with the Fund's investment policy.



# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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.* 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%

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 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, 2018 are listed in the table above.

#### Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (3.35%). 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 2017 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, 2018

### 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	79,996,261	371,237	-	80,367,498
Construction in Progress	6,994,329	-	6,994,329	-
	<u>99,425,510</u>	<u>371,237</u>	<u>6,994,329</u>	<u>92,802,418</u>
Depreciable Capital Assets				
Buildings and Improvements	101,639,098	28,037,385	2,899,524	126,776,959
Machinery, Equipment and Vehicles	24,392,688	2,215,196	890,288	25,717,596
Infrastructure	63,032,560	5,258,416	-	68,290,976
	<u>189,064,346</u>	<u>35,510,997</u>	<u>3,789,812</u>	<u>220,785,531</u>
Less Accumulated Depreciation				
Buildings and Improvements	45,920,909	3,105,544	2,899,524	46,126,929
Machinery, Equipment and Vehicles	15,387,404	1,742,682	822,885	16,307,201
Infrastructure	44,141,740	1,060,276	-	45,202,016
	<u>105,450,053</u>	<u>5,908,502</u>	<u>3,722,409</u>	<u>107,636,146</u>
Total Net Depreciable Capital Assets	<u>83,614,293</u>	<u>29,602,495</u>	<u>67,403</u>	<u>113,149,385</u>
Total Net Capital Assets	<u>\$ 183,039,803</u>	<u>\$ 29,973,732</u>	<u>\$ 7,061,732</u>	<u>\$ 205,951,803</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 658,585
Public Safety	1,181,313
Highways and Streets	2,240,522
Community Development	396,929
Health and Welfare	22,948
Internal Service	<u>1,408,205</u>
	<u>\$ 5,908,502</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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	6,535,548	73,135	-	6,608,683
Underground Systems	77,837,845	546,601	-	78,384,446
	<u>103,613,568</u>	<u>619,736</u>	<u>-</u>	<u>104,233,304</u>
Less Accumulated Depreciation				
Buildings and Improvements	10,178,923	386,709	-	10,565,632
Machinery and Equipment	4,358,891	237,113	-	4,596,004
Underground Systems	65,192,215	713,824	-	65,906,039
	<u>79,730,029</u>	<u>1,337,646</u>	<u>-</u>	<u>81,067,675</u>
Total Net Depreciable Capital Assets	<u>23,883,539</u>	<u>(717,910)</u>	<u>-</u>	<u>23,165,629</u>
Total Net Capital Assets	<u>\$ 27,007,689</u>	<u>\$ (717,910)</u>	<u>\$ -</u>	<u>\$ 26,289,779</u>

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

Water and Sewer	\$ 1,269,627
Arts, Entertainment and Events	<u>68,019</u>
	<u>\$ 1,337,646</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### INTERFUND BALANCES

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 186,002
Nonmajor Governmental	General	475,000
Police Pension	General	1,562,009
Firefighters' Pension	General	<u>1,580,513</u>
		<u>\$ 3,803,524</u>

#### INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Business-Type	\$ 200,000 (1)
Debt Service	Nonmajor Governmental	736,000 (2)
Capital Projects	Nonmajor Business-Type	300,000 (1)
Nonmajor Governmental	General	475,000 (3)
Nonmajor Business-Type	General	20,012 (3)
Retiree Health Insurance	Health and Life Insurance	<u>818,986 (4)</u>
		<u>\$ 2,549,998</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) the Health and Insurance Fund transferred funds to close out the remaining fund balance in the Retiree Health Insurance Fund as of December 31, 2018.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### 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
\$ 2,112,589	\$ 5,818	\$ 76,926	\$ 5,995	\$ 2,035,486

#### 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	\$ 345,000	\$ -	\$ 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	1,310,000	-	245,000	1,065,000
\$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	9,485,000	-	65,000	9,420,000

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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
\$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	7,520,000	-	1,000,000	6,520,000
\$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	3,530,000	-	1,530,000	2,000,000
\$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	\$ 3,685,000	\$ -	\$ 1,390,000	\$ 2,295,000
\$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	-	665,000	32,235,000
\$9,530,000 General Obligation Bonds of 2018, due in annual installments of \$240,000 to \$665,000 plus interest at 3.50% to 5.00% through December 1, 2038.	Debt Service	-	9,530,000	-	9,530,000
		<u>\$ 58,775,000</u>	<u>\$ 9,530,000</u>	<u>\$ 5,240,000</u>	<u>\$ 63,065,000</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences					
General	\$ 1,703,636	\$ 169,652	\$ 84,826	\$ 1,788,462	\$ 357,692
Internal Service	144,379	15,152	30,305	129,226	25,845
Net Pension Liability					
IMRF	2,943,240	14,384,046	-	17,327,286	-
Police Pension	32,374,827	11,628,665	-	44,003,492	-
Firefighters' Pension	39,388,906	7,914,827	-	47,303,733	-
Total OPEB Liability - RBP					
General	20,617,653	2,769,991	-	23,387,644	-
Internal Service	230,241	30,933	-	261,174	-
General Obligation Bonds	58,775,000	9,530,000	5,240,000	63,065,000	5,650,000
Unamortized Premium	2,136,366	322,223	340,957	2,117,632	340,957
	<u>\$ 158,314,248</u>	<u>\$ 46,765,489</u>	<u>\$ 5,696,088</u>	<u>\$ 199,383,649</u>	<u>\$ 6,374,494</u>
<b>Business-Type Activities</b>					
Compensated Absences	\$ 237,034	\$ 20,265	\$ 40,530	\$ 216,769	\$ 43,354
Net Pension Liability - IMRF	841,805	4,210,633	-	5,052,438	-
Total OPEB Liability - RBP	779,934	104,785	-	884,719	-
	<u>\$ 1,858,773</u>	<u>\$ 4,335,683</u>	<u>\$ 40,530</u>	<u>\$ 6,153,926</u>	<u>\$ 43,354</u>

For governmental-type activities, payments on the compensated absences, the net pension liabilities and the total OPEB liability 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 total OPEB liability 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 total OPEB liability are liquidated by the Water and Sewer Fund.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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
2019	\$ 5,650,000	2,213,566
2020	5,740,000	1,949,876
2021	4,395,000	1,793,876
2022	4,510,000	1,678,850
2023	4,355,000	1,544,000
2024	4,515,000	1,381,350
2025	3,885,000	1,212,900
2026	3,585,000	1,069,200
2027	2,165,000	938,150
2028	2,230,000	870,925
2029	2,295,000	801,675
2030	2,370,000	730,400
2031	2,440,000	656,775
2032	2,520,000	580,975
2033	2,620,000	482,875
2034	2,720,000	380,875
2035	2,825,000	274,975
2036	2,935,000	164,975
2037	645,000	49,125
2038	665,000	24,937
Totals	<u>\$ 63,065,000</u>	<u>\$ 18,800,280</u>



## **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

### **Notes to the Financial Statements December 31, 2018**

---

#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

##### **LONG-TERM DEBT – Continued**

##### **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.

##### **ECONOMIC DEVELOPMENT**

The Village has entered into economic development agreements with companies to provide sales tax rebates. As of December 31, 2018, 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, 2016 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. This agreement has expired and the final rebate payments were paid as of December 31, 2018. 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, 2018 was \$542,699. Total expenditures incurred to date in rebates as of December 31, 2018 was \$4,697,020.

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Notes to the Financial Statements December 31, 2018

---

#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### NET POSITION/FUND BALANCE

###### Net Position Restatements

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 128,500,954	\$ 113,225,829	\$ (15,275,125)
Health Insurance	3,953,979	3,952,884	(1,095)
Workers' Compensation	4,627,163	4,631,594	4,431
Fleet Operations	15,092,951	15,084,323	(8,628)
Technology	2,201,332	2,214,507	13,175
Business-Type Activities	47,035,207	46,414,278	(620,929)
Water and Sewer	40,749,979	40,129,050	(620,929)

###### Fund Balance Classifications

In the governmental fund 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, 2018

### 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	Stormwater Control	Public Building	Nonmajor	Totals
<b>Fund Balances</b>							
Nonspendable							
Inventories	\$ 75,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,003
Prepays	270,554	-	26,993	-	-	19,401	316,948
	<u>345,557</u>	<u>-</u>	<u>26,993</u>	<u>-</u>	<u>-</u>	<u>19,401</u>	<u>391,951</u>
Restricted							
Debt Service	-	2,197,027	-	-	-	-	2,197,027
Capital Projects	-	-	10,668,102	-	-	-	10,668,102
Motor Fuel Taxes	-	-	-	-	-	2,300,744	2,300,744
Foreign Fire Insurance	-	-	-	-	-	441,789	441,789
Criminal Investigation	-	-	-	-	-	1,996,777	1,996,777
Tax Increment Financing	-	-	-	-	-	4,931,549	4,931,549
Stormwater Control	-	-	-	14,887,906	-	-	14,887,906
	<u>-</u>	<u>2,197,027</u>	<u>10,668,102</u>	<u>14,887,906</u>	<u>-</u>	<u>9,670,859</u>	<u>37,423,894</u>
Assigned							
Affordable Housing	188,873	-	-	-	-	-	188,873
Disabled Citizens Program	5,983	-	-	-	-	-	5,983
Emergency Assistance Program	214,147	-	-	-	-	-	214,147
Senior Center Maintenance	425,000	-	-	-	-	-	425,000
Canine Unit Donation	127,793	-	-	-	-	-	127,793
Zero Interest Loan	243,785	-	-	-	-	-	243,785
Public Parking	-	-	-	-	-	4,714,985	4,714,985
Public Building	-	-	-	-	3,703,551	-	3,703,551
	<u>1,205,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,703,551</u>	<u>4,714,985</u>	<u>9,624,117</u>
Unassigned	<u>29,154,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,154,102</u>
<b>Total Fund Balances</b>	<u>\$ 30,705,240</u>	<u>\$ 2,197,027</u>	<u>\$ 10,695,095</u>	<u>\$ 14,887,906</u>	<u>\$ 3,703,551</u>	<u>\$ 14,405,245</u>	<u>\$ 76,594,064</u>

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Notes to the Financial Statements December 31, 2018

---

#### 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, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 205,951,803
Plus:	
Unamortized Loss on Refunding	632,678
Unspent Bond Proceeds	11,158,864
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2010	(1,065,000)
General Obligation Refunding Bonds of 2011	(9,420,000)
General Obligation Refunding Bonds of 2012A	(6,520,000)
General Obligation Refunding Bonds of 2013	(2,000,000)
General Obligation Bonds of 2014	(2,295,000)
General Obligation Bonds of 2016	(32,235,000)
General Obligation Bonds of 2018	(9,530,000)
Unamortized Premium	<u>(2,117,632)</u>
Net Investment in Capital Assets	<u>\$ 152,560,713</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 26,289,779</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, 2018

### 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 2016 through 2018.

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, 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
Incurred Claims	10,148,367	17,041	615,785	10,781,193
Claims Paid	(9,971,828)	(100,997)	(1,063,149)	(11,135,974)
Claims Payable - December 31, 2018	\$ 1,420,921	\$ 125,767	\$ 681,663	\$ 2,228,351

#### 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 Cooperation 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, 2018**

---

### **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.

#### **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 \$1,351,700, 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, 2018

---

### 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, 2018 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, 2018

---

#### NOTE 4 – OTHER INFORMATION – Continued

##### JOINT VENTURES – Continued

##### Northwest Water Commission (NWWC) – Continued

Summary of financial positions as of April 30, 2018:

Current Assets	\$ 24,118,325	Current Liabilities	\$ 7,307,098
Noncurrent Assets		Noncurrent Liabilities	<u>6,887,761</u>
Capital Assets	<u>34,729,717</u>	Total Liabilities	<u>14,194,859</u>
Total Assets	<u>58,848,042</u>	Net Position	<u>\$ 44,653,183</u>

Summary of revenues, expenses and changes in net position for the fiscal year ended April 30, 2018:

Operating Revenues	\$ 12,568,791
Operating Expenses	<u>10,827,241</u>
Operating Income	1,741,550
Nonoperating Revenue (Expenses)	<u>63,911</u>
Change in Net Position	1,805,461
Net Position - Beginning	<u>42,847,722</u>
Net Position - Ending	<u>\$ 44,653,183</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, 2018**

---

#### **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 \$3,457,757 to NWWC for the fiscal year ended December 31, 2018. All payments were paid from the Water and Sewer Fund. The Village’s share of net position of NWWC was \$16,305,339 at December 31, 2018.

##### **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, 2018**

---

#### **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 \$1,155,127 to SWANCC for the fiscal year ended December 31, 2018, which is recorded in the Village's Solid Waste Disposal Fund.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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](http://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.

The aggregate amount of pension expense recognized for the three pension plans is:

IMRF	\$ 2,897,132
Police Pension	5,392,435
Firefighters' Pension	<u>5,804,812</u>
	<u>14,094,379</u>

#### 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, 2018

---

### 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, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	476
Inactive Plan Members Entitled to but not yet Receiving Benefits	203
Active Plan Members	<u>383</u>
Total	<u><u>1,062</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, 2018, the Village and Library's contribution was 12.74% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2018. 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, 2018

---

### 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, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
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, 2018

---

#### 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	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	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 7.25%, and the prior valuation used 7.50%. 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 and Library 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 and Library calculated using the discount rate as well as what the Village and Library'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:

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Illinois Municipal Retirement Fund (IMRF) – Continued

#### Discount Rate Sensitivity – Continued

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)			
Village	\$ 39,160,694	\$ 22,379,724	\$ 8,425,863
Library	13,869,974	7,926,473	2,984,281
Total	<u>\$ 53,030,668</u>	<u>\$ 30,306,197</u>	<u>\$ 11,410,144</u>

#### Changes in the Net Pension Liability

	Village	Library	Totals
Total Pension Liability			
Service Cost	\$ 1,865,908	\$ 660,869	\$ 2,526,777
Interest	9,507,304	3,367,306	12,874,610
Differences Between Expected and Actual Experience	896,867	359,924	1,256,791
Change of Assumptions	3,728,195	1,320,456	5,048,651
Benefit Payments, Including Refunds of Member Contributions	(7,115,210)	(2,520,072)	(9,635,282)
Net Change in Total Pension Liability	8,883,064	3,188,483	12,071,547
Total Pension Liability - Beginning	137,078,028	38,137,688	175,215,716
Total Pension Liability - Ending	<u>\$ 145,961,092</u>	<u>\$ 41,326,171</u>	<u>\$ 187,287,263</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 2,477,778	\$ 877,582	\$ 3,355,360
Contributions - Members	902,424	319,622	1,222,046
Net Investment Income	(7,029,430)	(2,489,690)	(9,519,120)
Benefit Payments, Including Refunds of Member Contributions	(7,115,210)	(2,520,072)	(9,635,282)
Other (Net Transfer)	1,052,823	372,890	1,425,713
Net Change in Plan Fiduciary Net Position	(9,711,615)	(3,439,668)	(13,151,283)
Plan Net Position - Beginning	133,292,983	36,839,366	170,132,349
Plan Net Position - Ending	<u>\$ 123,581,368</u>	<u>\$ 33,399,698</u>	<u>\$ 156,981,066</u>
Employer's Net Pension Liability	<u>\$ 22,379,724</u>	<u>\$ 7,926,473</u>	<u>\$ 30,306,197</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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, 2018, the Village recognized pension expense of \$2,897,132 and the Library recognized a pension expense of \$1,168,118. At December 31, 2018, the Village and Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Village		Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 887,435	\$ (31,334)	\$ 314,312	\$ (11,098)	\$ 1,159,315
Change in Assumptions	2,657,367	(2,045,057)	941,189	(724,320)	829,179
Net Difference Between Projected and Actual	7,792,401	-	2,759,921	-	10,552,322
Total Deferred Amounts Related to IMRF	<u>\$ 11,337,203</u>	<u>\$ (2,076,391)</u>	<u>\$ 4,015,422</u>	<u>\$ (735,418)</u>	<u>\$ 12,540,816</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		
	Village	Library	Totals
2019	\$ 2,861,011	\$ 1,013,316	\$ 3,874,327
2020	1,555,154	550,806	2,105,960
2021	1,574,355	557,606	2,131,961
2022	3,270,292	1,158,276	4,428,568
2023	-	-	-
Thereafter	-	-	-
Totals	<u>\$ 9,260,812</u>	<u>\$ 3,280,004</u>	<u>\$ 12,540,816</u>



# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	101
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	<u>107</u>
Total	<u><u>215</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, 2018

---

#### 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 1<sup>st</sup> 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 or 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, 2018, the Village's contribution was 48.23% 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, 2018

---

### 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, 2018, 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	Graded by Years of Service
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP2014 bases rates with blue collar adjustments projected to the valuation date with scale MP2018.

##### 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, 2018

### 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	\$ 67,245,478	\$ 44,003,492	\$ 24,923,520

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 162,812,081	\$ 130,437,254	\$ 32,374,827
Changes for the Year:			
Service Cost	2,931,782	-	2,931,782
Interest on the Total Pension Liability	10,728,873	-	10,728,873
Difference Between Expected and Actual Experience of the Total Pension Liability	(3,899,982)	-	(3,899,982)
Changes of Assumptions	2,333,982	-	2,333,982
Contributions - Employer	-	5,379,000	(5,379,000)
Contributions - Employees	-	1,144,554	(1,144,554)
Contributions - Other	-	11,828	(11,828)
Net Investment Income	-	(6,034,752)	6,034,752
Benefit Payments, including Refunds of Employee Contributions	(7,136,881)	(7,136,881)	-
Administrative Expenses	-	(34,640)	34,640
Net Changes	4,957,774	(6,670,891)	11,628,665
Balances at December 31, 2018	\$ 167,769,855	\$ 123,766,363	\$ 44,003,492

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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, 2018, the Village recognized pension expense of \$5,392,435. At December 31, 2018, 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	\$ 301,773	\$ (3,855,800)	\$ (3,554,027)
Change in Assumptions	1,969,343	(433,633)	1,535,710
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	7,638,915	-	7,638,915
Total Deferred Amounts Related to Police Pension	<u>\$ 9,910,031</u>	<u>\$ (4,289,433)</u>	<u>\$ 5,620,598</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 Outflows of Resources
2019	\$ 1,637,246
2020	664,096
2021	672,743
2022	2,646,513
2023	-
Thereafter	-
Totals	<u>\$ 5,620,598</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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, 2018, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	105
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>110</u>
Total	<u><u>215</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, 2018

---

#### 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 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or 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, 2018, the Village's contribution was 54.64% of covered payroll.

*Significant Investments.* At December 31, 2018, the Fund's investment in U.S. Property Real Estate of \$14,392,307 exceeded 5% of the Fund's total investments.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

---

### 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, 2018, 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	Graded by Years of Service
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP2014 base rates with blue collar adjustment projected to the valuation date with scale MP2018.

##### 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, 2018

### 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	\$ 68,089,636	\$ 47,303,733	\$ 30,161,049

##### Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2017	\$ 149,223,600	\$ 109,834,694	\$ 39,388,906
Changes for the Year:			
Service Cost	3,524,860	-	3,524,860
Interest on the Total Pension Liability	9,793,838	-	9,793,838
Difference Between Expected and Actual Experience of the Total Pension Liability	(843,543)	-	(843,543)
Changes of Assumptions	(832,861)	-	(832,861)
Contributions - Employer	-	6,353,000	(6,353,000)
Contributions - Employees	-	1,065,390	(1,065,390)
Contributions - Other	-	641	(641)
Net Investment Income	-	(3,662,611)	3,662,611
Benefit Payments, including Refunds of Employee Contributions	(6,832,215)	(6,832,215)	-
Administrative Expenses	-	(28,953)	28,953
Net Changes	4,810,079	(3,104,748)	7,914,827
Balances at December 31, 2018	\$ 154,033,679	\$ 106,729,946	\$ 47,303,733

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### 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, 2018, the Village recognized pension expense of \$5,804,812. At December 31, 2018, 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	\$ 418	\$ (2,748,712)	\$ (2,748,294)
Change in Assumptions	98,461	(1,469,022)	(1,370,561)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,253,486	-	6,253,486
Total Deferred Amounts Related to Firefighters' Pension	<u>\$ 6,352,365</u>	<u>\$ (4,217,734)</u>	<u>\$ 2,134,631</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 Outflows/ (Inflows) of Resources
2019	\$ 955,841
2020	(392,331)
2021	(82,508)
2022	1,788,823
2023	(135,194)
Thereafter	-
Total	<u>\$ 2,134,631</u>

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Notes to the Financial Statements December 31, 2018

---

#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### Plan Descriptions, Provisions and Funding Policies

##### General Information about the OPEB Plan

*Plan Description.* The Village's defined benefit OPEB plan, Village of Arlington Heights Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* The Village's retiree medical plan provides continuation of employer subsidized comprehensive health coverage (for the retiree and their dependents, if any) upon the retirement from the Village after meeting the age and service requirements for retirement. Retirees pay 100% of the cost (blended) of coverage based on their age and service at retirement. The Village pays 100% of the cost of coverage for disabled Police Officers and Firefighters catastrophically injured in the line of duty.

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

	Village	Library	Totals
Inactive Plan Members Currently Receiving Benefits	221	38	259
Inactive Plan Members Entitled to but not yet Receiving Benefits	-	-	-
Active Plan Members	408	78	486
Totals	629	116	745

##### Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Notes to the Financial Statements December 31, 2018

---

#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

#### Total OPEB Liability – Continued

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	4.10%
Healthcare Cost Trend Rates	8.00% for 2018, decreasing to an ultimate rate of 4.5% for 2026 and later years
Retirees' Share of Benefit-Related Costs	100% of the Blended Cost of Coverage

The discount rate was based on an index of 20-year general obligation bonds with an average AA credit rating.

Mortality rates were based on probabilities of death for participants were according to RP2014 Blue Collar base rates projected to 2018 using scale MP2018 for Police and Fire. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2018.

#### Change in the Total OPEB Liability

	Village	Library	Totals
Balance at December 31, 2017	\$ 21,627,827	\$ 307,044	\$ 21,934,871
Changes for the Year:			
Service Cost	650,191	9,231	659,422
Interest on the Total Pension Liability	726,304	10,310	736,614
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	3,749,195	53,226	3,802,421
Changes of Assumptions or Other Inputs	(1,191,261)	(16,812)	(1,208,073)
Benefit Payments	(1,028,719)	(14,604)	(1,043,323)
Net Changes	2,905,710	41,351	2,947,061
Balance at December 31, 2018	\$ 24,533,537	\$ 348,395	\$ 24,881,932

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Notes to the Financial Statements December 31, 2018

---

#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 4.10%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Village	\$ 27,364,023	\$ 24,533,537	\$ 22,140,915
Library	395,905	348,295	308,878
Total OPEB Liability	<u>\$ 27,759,928</u>	<u>\$ 24,881,832</u>	<u>\$ 22,449,793</u>

##### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a Healthcare Trend Rate of 8.00%, with an ultimate rate of 4.50% as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	(7.00% decreasing to 3.50%)	Healthcare Cost Trend Rates (8.00% decreasing to 4.50%)	(9.00% decreasing to 5.50%)
Village	\$ 21,813,252	\$ 24,533,537	\$ 27,801,886
Library	298,338	348,295	412,915
Total OPEB Liability	<u>\$ 22,111,590</u>	<u>\$ 24,881,832</u>	<u>\$ 28,214,801</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Notes to the Financial Statements December 31, 2018

### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized OPEB expense of \$1,765,173. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Village		Library		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 3,208,964	\$ -	\$ 52,409	\$ -	\$ 3,261,373
Change in Assumptions	-	(1,007,502)	-	(28,760)	(1,036,262)
Net Difference Between Projected and Actual	-	-	-	-	-
Total Deferred Amounts Related to OPEB	<u>\$ 3,208,964</u>	<u>\$ (1,007,502)</u>	<u>\$ 52,409</u>	<u>\$ (28,760)</u>	<u>\$ 2,225,111</u>

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

Fiscal Year	Net Deferred (Inflows) of Resources		
	Village	Library	Totals
2019	\$ 365,213	\$ 3,924	\$ 369,137
2020	365,213	3,924	369,137
2021	365,213	3,924	369,137
2022	365,213	3,924	369,137
2023	365,213	3,924	369,137
Thereafter	375,397	4,029	379,426
Totals	<u>\$ 2,201,462</u>	<u>\$ 23,649</u>	<u>\$ 2,225,111</u>

## **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

### **Notes to the Financial Statements December 31, 2018**

---

#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **COMPONENT UNIT – ARLINGTON HEIGHTS MEMORIAL LIBRARY**

##### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of 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, 2018

---

### 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, 2018**

---

### **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 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, 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, 2018**

---

### **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, depending on asset class, 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, 2018**

---

### **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 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
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefit Plan
- 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

## Illinois Municipal Retirement Fund

### Required Supplementary Information

### Schedule of Employer Contributions

December 31, 2018

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	Total	3,170,250	3,170,250	-	25,690,842	12.34%
12/31/2018	Village	2,473,709	2,477,778	4,069	19,447,399	12.74%
	Library	876,141	877,582	1,441	6,887,899	12.74%
	Total	3,349,850	3,355,360	5,510	26,335,298	12.74%

### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 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, 2018

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%
12/31/2018	4,016,824	5,379,000	1,362,176	11,153,797	48.23%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	3-Year Smoothed Market
Inflation	2.50%
Salary Increases	Graded by years of service
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, 2018

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%
12/31/2018	4,952,007	6,353,000	1,400,993	11,626,566	54.64%

#### Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	3-Year Smoothed Market
Inflation	2.50%
Salary Increases	Graded by years of service
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, 2018**

---

**See Following Page**



## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Illinois Municipal Retirement Fund

#### Required Supplementary Information

#### Schedule of Changes in the Employer's Net Pension Liability

December 31, 2018

	<u>12/31/2015</u>
	<u>Total</u>
Total Pension Liability	
Service Cost	\$ 2,640,660
Interest	11,869,028
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>\$ 167,459,936</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>\$ 144,683,024</u>
Employer's Net Pension Liability	<u>\$ 22,776,912</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	12/31/17	12/31/2018		
Total	Total	Village	Library	Total
\$ 2,639,543	2,700,511	\$ 1,865,908	\$ 660,869	\$ 2,526,777
12,281,628	12,858,220	9,507,304	3,367,306	12,874,610
1,640,544	(92,058)	896,867	359,924	1,256,791
(611,951)	(5,760,640)	3,728,195	1,320,456	5,048,651
(8,734,040)	(9,165,978)	(7,115,210)	(2,520,072)	(9,635,282)
7,215,724	540,055	8,883,064	3,188,483	12,071,547
167,459,936	174,675,660	137,078,028	38,137,688	175,215,716
\$ 174,675,660	175,215,715	\$ 145,961,092	\$ 41,326,171	\$ 187,287,263
\$ 3,257,572	3,170,250	\$ 2,477,778	\$ 877,582	\$ 3,355,360
1,145,096	1,158,454	902,424	319,622	1,222,046
9,933,011	26,872,858	(7,029,430)	(2,489,690)	(9,519,120)
(8,734,040)	(9,165,978)	(7,115,210)	(2,520,072)	(9,635,282)
555,713	(2,743,611)	1,052,823	372,890	1,425,713
6,157,352	19,291,973	(9,711,615)	(3,439,668)	(13,151,283)
144,683,024	150,840,376	133,292,983	36,839,366	170,132,349
\$ 150,840,376	170,132,349	\$ 123,581,368	\$ 33,399,698	\$ 156,981,066
\$ 23,835,284	5,083,366	\$ 22,379,724	\$ 7,926,473	\$ 30,306,197
86.35%	97.10%	84.67%	80.82%	83.82%
\$ 24,924,034	25,688,842	\$ 19,447,399	\$ 6,887,899	\$ 26,335,298
95.63%	19.79%	115.08%	115.08%	115.08%

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information

#### Schedule of Changes in the Employer's Net Pension Liability

December 31, 2018

	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	12/31/2018
\$ 1,989,231	\$ 2,940,458	\$ 2,941,583	\$ 2,931,782
6,520,521	9,907,311	10,273,549	10,728,873
-	-	-	-
(1,044,681)	(1,217,235)	495,807	(3,899,982)
-	236,267	(712,451)	2,333,982
(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)
3,629,697	5,813,055	6,391,367	4,957,774
146,977,962	150,607,659	156,420,714	162,812,081
\$ 150,607,659	\$ 156,420,714	\$ 162,812,081	\$ 167,769,855
\$ 4,500,000	\$ 4,500,000	\$ 3,994,000	\$ 5,379,000
691,981	1,036,023	1,151,412	1,144,554
4,776	355,856	1,127	11,828
(1,016,522)	6,685,207	17,098,096	(6,034,752)
(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)
(27,218)	(37,365)	(43,276)	(34,640)
317,643	6,485,975	15,594,238	(6,670,891)
108,039,398	108,357,041	114,843,016	130,437,254
\$ 108,357,041	\$ 114,843,016	\$ 130,437,254	\$ 123,766,363
\$ 42,250,618	\$ 41,577,698	\$ 32,374,827	\$ 44,003,492
71.95%	73.42%	80.12%	73.77%
\$ 10,381,979	\$ 10,722,080	\$ 10,917,682	\$ 11,153,797
406.96%	387.78%	296.54%	394.52%

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Firefighters' Pension Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2018

	4/30/2015
Total Pension Liability	
Service Cost	\$ 3,320,273
Interest	8,688,821
Differences Between Expected and Actual Experience	(1,433,511)
Change of Assumptions	2,059,344
Benefit Payments, Including Refunds of Member Contributions	(5,795,896)
Net Change in Total Pension Liability	6,839,031
Total Pension Liability - Beginning	129,940,881
Total Pension Liability - Ending	\$ 136,779,912
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	(35,679)
Net Change in Plan Fiduciary Net Position	6,408,768
Plan Net Position - Beginning	85,488,074
Plan Net Position - Ending	\$ 91,896,842
Employer's Net Pension Liability	\$ 44,883,070
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	12/31/2018
\$ 2,190,940	\$ 3,459,315	\$ 3,419,246	\$ 3,524,860
6,058,901	9,234,329	9,618,402	9,793,838
1,574	(1,336,382)	(2,422,578)	(843,543)
-	228,889	(1,287,282)	(832,861)
(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)
4,304,996	5,363,456	2,775,236	4,810,079
136,779,912	141,084,908	146,448,364	149,223,600
\$ 141,084,908	\$ 146,448,364	\$ 149,223,600	\$ 154,033,679
\$ 5,057,400	\$ 5,100,000	\$ 4,889,000	\$ 6,353,000
689,993	989,862	1,021,422	1,065,390
21,628	20	5,406	641
(2,559,246)	6,915,387	12,680,482	(3,662,611)
(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)
(62,395)	(62,158)	(27,283)	(28,953)
(799,039)	6,720,416	12,016,475	(3,104,748)
91,896,842	91,097,803	97,818,219	109,834,694
\$ 91,097,803	\$ 97,818,219	\$ 109,834,694	\$ 106,729,946
\$ 49,987,105	\$ 48,630,145	\$ 39,388,906	\$ 47,303,733
64.57%	66.79%	73.60%	69.29%
\$ 10,617,314	\$ 10,623,394	\$ 10,874,876	\$ 11,626,566
470.81%	457.76%	362.20%	406.86%

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Police Pension Fund

### Required Supplementary Information Schedule of Investment Returns December 31, 2018

---

---

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%
12/31/2018	(5.03%)

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, 2018**

---

---

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%
12/31/2018	(3.35%)

**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

## Retiree Benefit Plan

### Required Supplementary Information

### Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2018

	12/31/18		
	Village	Library	Totals
Total OPEB Liability			
Service Cost	\$ 650,191	20,973	671,164
Interest	726,304	10,260	736,564
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	3,749,195	61,104	3,810,299
Change of Assumptions or Other Inputs	(1,191,261)	(33,531)	(1,224,792)
Benefit Payments	(1,028,719)	(17,555)	(1,046,274)
Net Change in Total OPEB Liability	2,905,710	41,251	2,946,961
Total OPEB Liability - Beginning	21,627,827	307,044	21,934,871
Total OPEB Liability - Ending	24,533,537	348,295	24,881,832
Covered Payroll	\$ 44,727,544	634,983	45,362,527
Total OPEB Liability as a Percentage of Covered Payroll	54.85%	54.85%	54.85%

#### Notes:

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

*Changes of Benefit Terms* . There was no change in the retirees' share of health insurance premiums.

*Changes of Assumptions*. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	Medical
2019	8.00%
2020	7.50%
2021	7.00%
2022	6.50%
2023	6.00%
2024	5.50%
2025	5.00%
Ultimate	4.50%

In 2018, there was no change in the healthcare trend rates from the prior year.

# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes	\$ 40,143,000	\$ 40,143,000	\$ 39,695,762	\$ 37,628,149
Intergovernmental	21,826,000	21,826,000	22,825,536	21,623,948
Charges for Services	5,139,500	5,139,500	5,148,018	4,228,338
Licenses, Permits and Fees	5,970,300	5,970,300	6,382,208	6,211,862
Fines and Forfeitures	625,700	625,700	535,678	567,975
Interest	88,000	88,000	474,478	211,148
Miscellaneous	483,600	483,600	665,770	524,689
Total Revenues	74,276,100	74,276,100	75,727,450	70,996,109
Expenditures				
General Government	4,950,000	4,951,026	4,552,993	4,471,299
Public Safety	47,944,300	50,994,671	50,244,270	45,999,575
Highway and Streets	12,877,200	13,116,384	12,218,641	11,319,195
Health and Welfare	2,282,600	2,301,460	2,186,836	2,114,843
Community Development	6,399,600	6,459,136	6,171,711	6,052,733
Total Expenditures	74,453,700	77,822,677	75,374,451	69,957,645
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177,600)	(3,546,577)	352,999	1,038,464
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	200,000	300,955
Transfers Out	(20,000)	(495,000)	(495,012)	(2,000,000)
	180,000	(295,000)	(295,012)	(1,699,045)
Net Change in Fund Balance	\$ 2,400	\$ (3,841,577)	57,987	(660,581)
Fund Balance - Beginning			30,647,253	31,307,834
Fund Balance - Ending			\$ 30,705,240	\$ 30,647,253

## **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.

**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.

**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****Balance Sheet****December 31, 2018 and December 31, 2017**

	12/31/2018	12/31/2017
<b>ASSETS</b>		
Cash and Investments	\$ 29,175,560	\$ 25,991,397
Receivables - Net of Allowances		
Property Taxes	24,789,440	23,819,840
Other Taxes	6,249,538	5,855,195
Accrued Interest	35,427	18,794
Other	1,245,009	1,208,532
Due from Other Funds	186,002	120,001
Prepays/Inventories	345,557	117,663
Total Assets	<u>\$ 62,026,533</u>	<u>\$ 57,131,422</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,837,532	\$ 1,328,263
Accrued Payroll	1,072,600	1,253,523
Due to Other Funds	3,617,522	78,344
Other Payables	4,199	4,199
Total Liabilities	<u>6,531,853</u>	<u>2,664,329</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	24,789,440	23,819,840
Total Liabilities and Deferred Inflows of Resources	<u>31,321,293</u>	<u>26,484,169</u>
<b>FUND BALANCES</b>		
Nonspendable	345,557	117,663
Assigned	1,205,581	1,524,370
Unassigned	29,154,102	29,005,220
Total Fund Balances	<u>30,705,240</u>	<u>30,647,253</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 62,026,533</u>	<u>\$ 57,131,422</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2018

(with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Taxes				
Property	\$ 23,314,000	\$ 23,314,000	\$ 23,013,660	\$ 21,740,922
Other				
Food and Beverage Tax	2,000,000	2,000,000	2,076,857	1,970,860
Hotel/Motel Tax	1,100,000	1,100,000	1,078,944	1,043,795
Telecommunications Tax	2,800,000	2,800,000	2,437,145	2,586,731
Home Rule Sales Tax	5,255,000	5,255,000	5,366,766	5,000,579
Natural Gas Utility Tax	2,144,000	2,144,000	2,330,903	1,985,369
Electric Utility Tax	3,200,000	3,200,000	3,086,808	3,002,840
Other Tax	330,000	330,000	304,679	297,053
Total Taxes	40,143,000	40,143,000	39,695,762	37,628,149
Intergovernmental				
Municipal Sales Tax	12,730,000	12,730,000	12,787,847	12,064,683
State Use Tax	1,835,000	1,835,000	2,167,590	2,027,665
Replacement Taxes	400,000	400,000	422,905	464,689
Shared Income Tax	6,693,000	6,693,000	7,192,128	6,897,965
Grant - Counselor in the Park	23,000	23,000	23,000	23,000
Grant - Training	20,000	20,000	19,872	31,638
Grant - Task Force	25,000	25,000	32,494	12,784
Grant - Other	100,000	100,000	179,700	101,524
Total Intergovernmental	21,826,000	21,826,000	22,825,536	21,623,948
Charges for Services				
Escrow Deposits	3,100	3,100	19,522	10,008
Guaranteed Bonds	1,500	1,500	9,646	4,388
Parking	281,700	281,700	281,700	356,400
Water	1,666,900	1,666,900	1,666,900	1,618,300
TIF	80,000	80,000	80,000	80,000
Engineering Service Charges	60,000	60,000	196,429	109,998
Ambulance Service Charges	2,675,000	2,675,000	2,527,278	1,682,159
Special Police Detail	231,000	231,000	223,097	227,530
Special Fire Detail	55,400	55,400	48,146	52,615
Special PW Detail	7,300	7,300	12,191	10,262

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2018

(with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Charges for Services - Continued				
Chemical User Fees	\$ 10,000	\$ 10,000	\$ 11,590	\$ 13,210
DUI Administration Charges	65,000	65,000	57,200	57,000
Sales - Equipment	-	-	8,451	2,488
Sales - Scrap	1,500	1,500	3,688	1,303
Sales - Plans and Specs	1,000	1,000	2,180	2,660
Sales - Printed Materials	100	100	-	17
Total Charges for Services	5,139,500	5,139,500	5,148,018	4,228,338
Licenses, Permits and Fees				
Vehicle License	1,250,000	1,250,000	1,216,877	1,229,699
Liquor Licenses	425,000	425,000	427,380	428,095
Business Licenses	694,000	694,000	714,343	709,917
Dog Licenses	66,000	66,000	62,741	62,047
Public Chauffeur Licenses	1,300	1,300	880	840
Multi-Dwelling Licenses	75,000	75,000	68,753	72,937
Building Permits	950,000	950,000	1,503,886	1,126,567
Early Start Permits	-	-	55	-
Foundation Only Permits	-	-	310	-
Electrical Permits	121,000	121,000	99,017	110,295
Plumbing Permits	95,000	95,000	79,401	94,803
Sign Permits	10,000	10,000	13,760	12,400
Elevator Permits	75,000	75,000	52,703	86,142
Occupancy Permits	25,000	25,000	24,760	29,240
Driveway Permits	1,600	1,600	11,425	8,364
Air Conditioner Permits	10,000	10,000	14,578	13,171
Swimming Pool Permits	3,000	3,000	3,275	4,825
Chimney Permits	2,000	2,000	2,160	5,052
Wrecking and Other Permits	7,400	7,400	10,448	17,794
Planning Commission Hearings Fees	18,000	18,000	26,330	18,670
Rezoning Fees	9,000	9,000	9,100	14,890
Plan Exam Fees	70,000	70,000	104,082	102,155
Fire Plan Examination Fees	58,000	58,000	44,848	40,805
Police Counselor Fees	315,000	315,000	311,896	324,986
Police Records Fees	8,000	8,000	12,096	10,687

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			
	Budget		Actual	12/31/2017
	Original	Final		Actual
Licenses, Permits and Fees - Continued				
Weed Cutting Fees	\$ 3,000	\$ 3,000	\$ 7,965	\$ 4,295
Animal Detention Fees	-	-	125	25
Cable Franchise Fees	1,600,000	1,600,000	1,479,730	1,575,254
False Alarm Fees	40,000	40,000	29,250	34,000
Photocopy Fees	-	-	-	58
Other Fees	38,000	38,000	50,034	73,849
Total Licenses, Permits and Fees	5,970,300	5,970,300	6,382,208	6,211,862
Fines and Forfeitures				
Fines - Traffic Court	280,000	280,000	218,023	273,041
Fines - Untagged Dog	100	100	-	-
Fines - Parking	270,000	270,000	235,281	240,442
Fines - Compliance Ticket	5,500	5,500	6,370	6,922
Fines - Ordinance Ticket	60,000	60,000	73,251	43,985
Fines - Crime Prevention	100	100	-	-
Fines - Other	10,000	10,000	2,753	3,585
Total Fines and Forfeitures	625,700	625,700	535,678	567,975
Interest				
Investment Income	88,000	88,000	474,478	211,148
Miscellaneous				
Damage Claims	53,000	53,000	39,173	63,128
Rents and Concessions	60,000	60,000	27,212	34,112
Train Station Rents	10,000	10,000	13,985	13,358
Traffic Signal Control Maintenance	10,000	10,000	32,704	34,236
Senior Center Receipts	5,000	5,000	7,495	9,718
Class 6B Rebate	40,000	40,000	137,231	78,422
Wellness Program	20,000	20,000	8,727	16,919
Disabled Citizen Donations	100	100	588	670
Affordable Housing Trust	-	-	62,500	20,000
Arlington Heights Emergency Assistance	20,000	20,000	23,350	26,600



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**For the Fiscal Year Ended December 31, 2018**  
**(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Miscellaneous - Continued				
NWCH in Lieu of Property Taxes	\$ 225,500	\$ 225,500	\$ 225,611	\$ 214,868
Bad Debt Recovery	10,000	10,000	9,373	14,883
Other Income	30,000	30,000	77,821	(2,225)
Total Miscellaneous	483,600	483,600	665,770	524,689
Total Revenues	\$ 74,276,100	\$ 74,276,100	\$ 75,727,450	\$ 70,996,109

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****General Fund****Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended December 31, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
General Government				
Board of Trustees	\$ 173,800	\$ 173,800	\$ 156,656	\$ 160,925
Integrated Services	992,100	996,900	898,685	892,616
Human Resources	399,200	399,200	396,939	381,023
Legal Services	783,200	783,200	733,507	731,882
Finance	1,688,200	1,689,226	1,648,806	1,611,170
Boards and Commissions	193,500	193,500	175,536	122,273
Other	720,000	715,200	542,864	571,410
Total General Government	4,950,000	4,951,026	4,552,993	4,471,299
Public Safety				
Police	25,541,500	27,091,176	26,448,394	24,377,532
Fire	22,402,800	23,903,495	23,795,876	21,622,043
Total Public Safety	47,944,300	50,994,671	50,244,270	45,999,575
Highways and Streets				
Public Works	12,877,200	13,116,384	12,218,641	11,319,195
Health and Welfare				
Senior Services	549,700	549,700	530,149	499,975
Health Services	1,732,900	1,751,760	1,656,687	1,614,868
Total Health and Welfare	2,282,600	2,301,460	2,186,836	2,114,843
Community Development				
Planning and Community Development	1,809,400	1,843,286	1,821,947	1,695,064
Building Services	2,604,400	2,623,400	2,500,774	2,399,452
Engineering	1,985,800	1,992,450	1,848,990	1,958,217
Total Community Development	6,399,600	6,459,136	6,171,711	6,052,733
Total Expenditures	\$ 74,453,700	\$ 77,822,677	\$ 75,374,451	\$ 69,957,645

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## General Fund

### Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended December 31, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
General Government				
Board of Trustees				
Salaries	\$ 30,900	\$ 30,900	\$ 30,900	\$ 30,900
Fringe Benefits	3,500	3,500	3,545	4,319
Contractual Services	138,000	138,000	122,211	124,050
Commodities	1,400	1,400	-	1,656
	173,800	173,800	156,656	160,925
Integrated Services				
Salaries	683,500	683,500	617,333	614,091
Fringe Benefits	221,300	221,300	206,824	199,616
Contractual Services	79,500	84,300	68,720	72,833
Commodities	7,800	7,800	5,808	6,076
	992,100	996,900	898,685	892,616
Human Resources				
Salaries	225,400	225,400	224,942	218,985
Fringe Benefits	93,500	93,500	92,837	86,828
Contractual Services	55,200	55,200	56,106	57,266
Commodities	2,600	2,600	3,898	2,795
Other Charges	22,500	22,500	19,156	15,149
	399,200	399,200	396,939	381,023
Legal Services				
Salaries	373,000	373,000	370,291	363,265
Fringe Benefits	134,300	134,300	131,701	125,245
Contractual Services	264,600	264,600	223,331	233,573
Commodities	11,300	11,300	8,184	9,799
	783,200	783,200	733,507	731,882
Finance				
Salaries	961,700	961,700	945,697	910,915
Fringe Benefits	356,500	356,500	347,450	334,618
Contractual Services	338,600	339,626	330,030	330,967
Commodities	31,400	31,400	24,407	32,897
Other Charges	-	-	1,222	1,773
	1,688,200	1,689,226	1,648,806	1,611,170

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## General Fund

### Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended December 31, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
General Government - Continued				
Boards and Commissions				
Salaries	\$ 10,100	\$ 10,100	\$ 5,523	\$ 4,547
Fringe Benefits	1,300	1,300	423	348
Contractual Services	151,600	151,600	152,253	105,733
Commodities	3,600	3,600	2,067	2,744
Other Charges	26,900	26,900	15,270	8,901
	193,500	193,500	175,536	122,273
Other				
Contingency	200,000	195,200	-	-
Other Charges	520,000	520,000	542,864	571,410
	720,000	715,200	542,864	571,410
Total General Government	4,950,000	4,951,026	4,552,993	4,471,299
Public Safety				
Police				
Salaries	14,766,700	14,766,700	14,312,243	13,872,117
Salaries - Police Grant	87,000	87,000	60,027	49,342
Fringe Benefits	7,537,100	9,037,100	8,994,950	7,509,972
Contractual Services	2,665,200	2,665,712	2,592,166	2,525,885
Commodities	485,500	534,664	488,979	420,216
Other Charges	-	-	29	-
	25,541,500	27,091,176	26,448,394	24,377,532
Fire				
Salaries	12,195,300	12,195,300	12,202,209	11,740,363
Fringe Benefits	7,925,200	9,425,200	9,415,733	7,820,594
Contractual Services	1,878,400	1,878,400	1,822,723	1,723,565
Commodities	403,900	404,595	355,211	337,521
	22,402,800	23,903,495	23,795,876	21,622,043
Total Public Safety	47,944,300	50,994,671	50,244,270	45,999,575

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**General Fund**

**Schedule of Detailed Expenditures - Budget and Actual - Continued**  
**For the Fiscal Year Ended December 31, 2018**  
**(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Highways and Streets				
Public Works				
Salaries	\$ 4,281,100	\$ 4,281,100	\$ 4,316,235	\$ 3,875,239
Fringe Benefits	1,973,100	1,973,100	1,931,949	1,857,422
Contractual Services	5,092,100	5,101,400	4,788,332	4,488,713
Commodities	1,530,900	1,760,784	1,182,125	1,097,821
Total Highways and Streets	12,877,200	13,116,384	12,218,641	11,319,195
Health and Welfare				
Senior Services				
Salaries	319,500	319,500	319,554	299,753
Fringe Benefits	111,200	111,200	109,080	100,297
Contractual Services	92,800	92,800	85,586	80,830
Commodities	26,200	26,200	15,929	19,095
	549,700	549,700	530,149	499,975
Health Services				
Salaries	995,800	995,800	977,191	988,586
Fringe Benefits	396,400	396,400	395,847	383,389
Contractual Services	180,800	180,800	162,097	145,705
Commodities	54,900	73,760	43,150	29,478
Other Charges	105,000	105,000	78,402	67,710
	1,732,900	1,751,760	1,656,687	1,614,868
Total Health and Welfare	2,282,600	2,301,460	2,186,836	2,114,843
Community Development				
Planning and Community Development				
Salaries	1,037,100	1,037,100	1,031,734	976,734
Fringe Benefits	410,400	410,400	402,150	375,666
Contractual Services	108,400	108,400	98,815	140,028
Commodities	13,100	37,658	18,578	16,156
Other Charges	240,400	249,728	270,670	186,480
	1,809,400	1,843,286	1,821,947	1,695,064

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****General Fund****Schedule of Detailed Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended December 31, 2018****(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Community Development - Continued				
Building Services				
Salaries	\$ 1,658,100	\$ 1,658,100	\$ 1,552,491	\$ 1,542,122
Fringe Benefits	641,100	641,100	618,712	562,633
Contractual Services	283,600	302,600	308,715	266,858
Commodities	21,600	21,600	20,856	27,839
	2,604,400	2,623,400	2,500,774	2,399,452
Engineering				
Salaries	1,157,800	1,157,800	1,066,070	1,099,531
Fringe Benefits	460,100	460,100	435,816	428,217
Contractual Services	354,900	361,550	333,793	420,123
Commodities	13,000	13,000	13,311	10,346
	1,985,800	1,992,450	1,848,990	1,958,217
Total Community Development	6,399,600	6,459,136	6,171,711	6,052,733
Total Expenditures	\$ 74,453,700	\$ 77,822,677	\$ 75,374,451	\$ 69,957,645

# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property - Levy	\$ 6,882,800	\$ 6,882,800	\$ 6,808,309	\$ 6,764,890
Interest	15,000	15,000	71,014	26,970
Miscellaneous	285,700	285,700	285,675	281,550
Total Revenues	7,183,500	7,183,500	7,164,998	7,073,410
Expenditures				
Debt Service				
Principal Retirement	5,240,000	5,240,000	5,240,000	4,995,000
Interest and Fiscal Charges	2,671,500	2,671,500	1,932,000	2,094,718
Total Expenditures	7,911,500	7,911,500	7,172,000	7,089,718
Excess (Deficiency) of Revenues Over (Under) Expenditures	(728,000)	(728,000)	(7,002)	(16,308)
Other Financing Sources				
Transfers In	736,000	736,000	736,000	-
Net Change in Fund Balance	<u>\$ 8,000</u>	<u>\$ 8,000</u>	728,998	(16,308)
Fund Balance - Beginning			1,468,029	1,484,337
Fund Balance - Ending			<u>\$ 2,197,027</u>	<u>\$ 1,468,029</u>

# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property	\$ 5,300,000	\$ 5,300,000	\$ 5,242,639	\$ 5,170,131
Home Rule Sales Tax	1,771,000	1,771,000	1,788,863	1,667,193
Intergovernmental				
Grants	104,400	104,400	22,950	816,499
Interest	15,000	15,000	180,183	65,192
Miscellaneous	1,500	1,500	527,533	121,009
Total Revenues	7,191,900	7,191,900	7,762,168	7,840,024
Expenditures				
Capital Outlay				
Other Charges	180,348	149,461	-	-
Equipment	654,600	789,598	555,990	733,990
Construction	9,094,352	10,182,888	6,533,747	6,745,932
Total Expenditures	9,929,300	11,121,947	7,089,737	7,479,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,737,400)	(3,930,047)	672,431	360,102
Other Financing Sources				
Transfers In	300,000	300,000	300,000	2,997,417
Net Change in Fund Balance	<u>\$ (2,437,400)</u>	<u>\$ (3,630,047)</u>	972,431	3,357,519
Fund Balance - Beginning			9,722,664	6,365,145
Fund Balance - Ending			<u>\$ 10,695,095</u>	<u>\$ 9,722,664</u>



# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Charges for Services	\$ 1,630,400	\$ 1,630,400	\$ 1,669,322	\$ 559,764
Interest	22,000	22,000	159,497	35,588
Miscellaneous	-	-	17,649	123,729
Total Revenues	1,652,400	1,652,400	1,846,468	719,081
Expenditures				
Capital Outlay				
Construction in Progress	3,950,000	4,854,770	1,442,058	1,624,924
Debt Service				
Interest and Fiscal Charges	-	-	146,904	-
Total Expenditures	3,950,000	4,854,770	1,588,962	1,624,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,297,600)	(3,202,370)	257,506	(905,843)
Other Financing Sources (Uses)				
Debt Issuance	10,000,000	10,000,000	9,530,000	-
Premium on Debt Issuance	-	-	469,318	-
Transfers Out	(736,000)	(736,000)	(736,000)	3,450,000
	9,264,000	9,264,000	9,263,318	3,450,000
Net Change in Fund Balance	<u>\$ 6,966,400</u>	<u>\$ 6,061,630</u>	9,520,824	2,544,157
Fund Balance - Beginning			5,367,082	2,822,925
Fund Balance - Ending			<u>\$ 14,887,906</u>	<u>\$ 5,367,082</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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Interest	\$ 50,000	\$ 50,000	\$ 270,840	\$ 256,242
Expenditures				
Capital Outlay				
Contractual Services	400,200	400,200	115,575	974,033
Capital Outlay	18,650,000	26,729,738	23,739,975	7,063,464
Total Expenditures	19,050,200	27,129,938	23,855,550	8,037,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,000,200)	(27,079,938)	(23,584,710)	(7,781,255)
Other Financing (Uses)				
Transfer Out	-	-	-	(750,000)
Net Change in Fund Balance	<u>\$ (19,000,200)</u>	<u>\$ (27,079,938)</u>	(23,584,710)	(8,531,255)
Fund Balance - Beginning			27,288,261	35,819,516
Fund Balance - Ending			<u>\$ 3,703,551</u>	<u>\$ 27,288,261</u>

## **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 FUND**

**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, 2018**

	Special Revenue	Capital Projects Emerald Ash Borer	Totals
<b>ASSETS</b>			
Cash and Investments	\$ 14,114,093	\$ -	\$ 14,114,093
Receivables - Net of Allowances			
Property Taxes	1,887,084	-	1,887,084
Other Taxes	163,116	-	163,116
Accrued Interest	10,400	-	10,400
Other	2,252,066	-	2,252,066
Due from Other Funds	475,000	-	475,000
Prepays	19,401	-	19,401
Total Assets	\$ 18,921,160	\$ -	\$ 18,921,160
<b>LIABILITIES</b>			
Accounts Payable	\$ 239,633	\$ -	\$ 239,633
Accrued Payroll	11,380	-	11,380
Due to Other Funds	186,002	-	186,002
Other Payables	2,097,941	-	2,097,941
Total Liabilities	2,534,956	-	2,534,956
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	1,887,084	-	1,887,084
Grants	93,875	-	93,875
Total Deferred Inflows of Resources	1,980,959	-	1,980,959
Total Liabilities and Deferred Inflows of Resources	4,515,915	-	4,515,915
<b>FUND BALANCES</b>			
Nonspendable	19,401	-	19,401
Restricted	9,670,859	-	9,670,859
Assigned	4,714,985	-	4,714,985
Total Fund Balances	14,405,245	-	14,405,245
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,921,160	\$ -	\$ 18,921,160

**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, 2018**

	Special Revenue	Capital Projects Emerald Ash Borer	Totals
Revenues			
Taxes	\$ 1,910,916	\$ -	\$ 1,910,916
Intergovernmental	2,632,280	-	2,632,280
Charges for Services	1,310,526	-	1,310,526
Fines and Forfeitures	89,631	-	89,631
Interest	156,145	-	156,145
Miscellaneous	518,703	-	518,703
Total Revenues	6,618,201	-	6,618,201
Expenditures			
Public Safety	730,911	-	730,911
Highways and Streets	1,282,074	-	1,282,074
Community Development	438,334	-	438,334
Capital Outlay	2,125,557	-	2,125,557
Total Expenditures	4,576,876	-	4,576,876
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,041,325	-	2,041,325
Other Financing Sources			
Transfers In	475,000	-	475,000
Net Change in Fund Balances	2,516,325	-	2,516,325
Fund Balances - Beginning	11,888,920	-	11,888,920
Fund Balances - Ending	\$ 14,405,245	\$ -	\$ 14,405,245

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet  
December 31, 2018**

	Motor Fuel Tax	Community Development Block Grant	Foreign Fire Insurance	Criminal Investigations	Municipal Parking Operations
<b>ASSETS</b>					
Cash and Investments	\$ 2,195,934	\$ 514	\$ 450,418	\$ 2,195,983	\$ 4,350,131
Receivables - Net of Allowances					
Property Taxes	-	-	-	-	-
Other Taxes	163,116	-	-	-	-
Accrued Interest	-	-	614	494	5,720
Other	-	2,226,242	992	6,415	10,353
Due from Other Funds	-	-	-	-	475,000
Prepays	-	-	-	19,401	-
Total Assets	<u>\$ 2,359,050</u>	<u>\$ 2,226,756</u>	<u>\$ 452,024</u>	<u>\$ 2,222,293</u>	<u>\$ 4,841,204</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 58,306	\$ 3,377	\$ 10,235	\$ 112,240	\$ 54,275
Accrued Payroll	-	1,891	-	-	9,489
Due to Other Funds	-	186,002	-	-	-
Other Payables	-	2,035,486	-	-	62,455
Total Liabilities	<u>58,306</u>	<u>2,226,756</u>	<u>10,235</u>	<u>112,240</u>	<u>126,219</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
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>58,306</u>	<u>2,226,756</u>	<u>10,235</u>	<u>206,115</u>	<u>126,219</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	19,401	-
Restricted	2,300,744	-	441,789	1,996,777	-
Assigned	-	-	-	-	4,714,985
Total Fund Balances	<u>2,300,744</u>	<u>-</u>	<u>441,789</u>	<u>2,016,178</u>	<u>4,714,985</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,359,050</u>	<u>\$ 2,226,756</u>	<u>\$ 452,024</u>	<u>\$ 2,222,293</u>	<u>\$ 4,841,204</u>

TIF Tax Reserve	TIF I South	TIF II North	TIF III	TIF IV	TIF V	Hickory Kensington TIF	Totals
\$ 150,000	\$ -	\$ -	\$ -	\$ 2,215,556	\$ 1,399,971	\$ 1,155,586	\$ 14,114,093
-	-	-	-	577,518	745,481	564,085	1,887,084
-	-	-	-	-	-	-	163,116
-	-	-	-	2,076	902	594	10,400
-	-	-	-	4,185	3,879	-	2,252,066
-	-	-	-	-	-	-	475,000
-	-	-	-	-	-	-	19,401
\$ 150,000	\$ -	\$ -	\$ -	\$ 2,799,335	\$ 2,150,233	\$ 1,720,265	\$ 18,921,160
\$ -	\$ -	\$ -	\$ -	\$ 400	\$ 400	\$ 400	\$ 239,633
-	-	-	-	-	-	-	11,380
-	-	-	-	-	-	-	186,002
-	-	-	-	-	-	-	2,097,941
-	-	-	-	400	400	400	2,534,956
-	-	-	-	577,518	745,481	564,085	1,887,084
-	-	-	-	-	-	-	93,875
-	-	-	-	577,518	745,481	564,085	1,980,959
-	-	-	-	577,918	745,881	564,485	4,515,915
-	-	-	-	-	-	-	19,401
150,000	-	-	-	2,221,417	1,404,352	1,155,780	9,670,859
-	-	-	-	-	-	-	4,714,985
150,000	-	-	-	2,221,417	1,404,352	1,155,780	14,405,245
\$ 150,000	\$ -	\$ -	\$ -	\$ 2,799,335	\$ 2,150,233	\$ 1,720,265	\$ 18,921,160



# 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, 2018

	Motor Fuel Tax	Community Development Block Grant	Foreign Fire Insurance	Criminal Investigations	Municipal Parking Operations
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,922,259	236,769	129,452	343,800	-
Charges for Services	-	-	-	-	1,310,526
Fines and Forfeitures	-	-	-	-	89,631
Interest	10,973	-	6,392	11,067	63,764
Miscellaneous	-	76,926	-	128,796	312,981
Total Revenues	1,933,232	313,695	135,844	483,663	1,776,902
Expenditures					
Current					
Public Safety	-	-	122,596	608,315	-
Highways and Streets	-	-	-	-	1,282,074
Community Development	-	313,695	-	-	-
Capital Outlay	1,978,399	-	-	-	144,098
Total Expenditures	1,978,399	313,695	122,596	608,315	1,426,172
Excess (Deficiency) of Revenues Over (Under) Expenditures	(45,167)	-	13,248	(124,652)	350,730
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	475,000
Net Change in Fund Balances	(45,167)	-	13,248	(124,652)	825,730
Fund Balances - Beginning	2,345,911	-	428,541	2,140,830	3,889,255
Fund Balances - Ending	\$ 2,300,744	\$ -	\$ 441,789	\$ 2,016,178	\$ 4,714,985

TIF Tax Reserve	TIF I South	TIF II North	TIF III	TIF IV	TIF V	Hickory Kensington TIF	Totals
\$ -	\$ -	\$ -	\$ -	\$ 575,192	\$ 738,079	\$ 597,645	\$ 1,910,916
-	-	-	-	-	-	-	2,632,280
-	-	-	-	-	-	-	1,310,526
-	-	-	-	-	-	-	89,631
-	-	-	-	33,061	15,024	15,864	156,145
-	-	-	-	-	-	-	518,703
-	-	-	-	608,253	753,103	613,509	6,618,201
-	-	-	-	-	-	-	730,911
-	-	-	-	-	-	-	1,282,074
-	-	-	-	91,779	800	32,060	438,334
-	-	-	-	1,273	1,787	-	2,125,557
-	-	-	-	93,052	2,587	32,060	4,576,876
-	-	-	-	515,201	750,516	581,449	2,041,325
-	-	-	-	-	-	-	475,000
-	-	-	-	515,201	750,516	581,449	2,516,325
150,000	-	-	-	1,706,216	653,836	574,331	11,888,920
\$ 150,000	\$ -	\$ -	\$ -	\$ 2,221,417	\$ 1,404,352	\$ 1,155,780	\$ 14,405,245

**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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 1,900,000	\$ 1,900,000	\$ 1,922,259	\$ 1,915,570
Interest	500	500	10,973	2,830
Total Revenues	1,900,500	1,900,500	1,933,232	1,918,400
Expenditures				
Capital Outlay	1,907,700	1,983,178	1,978,399	1,535,367
Net Change in Fund Balance	<u>\$ (7,200)</u>	<u>\$ (82,678)</u>	(45,167)	383,033
Fund Balance - Beginning			2,345,911	1,962,878
Fund Balance - Ending			<u>\$ 2,300,744</u>	<u>\$ 2,345,911</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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Intergovernmental				
Grant - CDBG	\$ 419,200	\$ 435,710	\$ 236,769	\$ 200,106
Miscellaneous				
Program Income	21,500	21,500	76,926	22,160
Total Revenues	440,700	457,210	313,695	222,266
Expenditures				
Community Development				
Planning and Community Development				
Personal Services	59,900	59,900	59,900	57,000
CDBG Program				
Other Charges	380,800	397,310	253,795	165,266
Total Expenditures	440,700	457,210	313,695	222,266
Net Change in Fund Balance	\$ -	\$ -	-	-
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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Intergovernmental				
Foreign Fire Insurance Tax	\$ 130,000	\$ 130,000	\$ 129,452	\$ 131,628
Interest	1,400	1,400	6,392	3,259
Total Revenues	131,400	131,400	135,844	134,887
Expenditures				
Public Safety	200,000	209,300	122,596	151,946
Net Change in Fund Balance	<u>\$ (68,600)</u>	<u>\$ (77,900)</u>	13,248	(17,059)
Fund Balance - Beginning			428,541	445,600
Fund Balance - Ending			<u>\$ 441,789</u>	<u>\$ 428,541</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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 343,800	\$ 320,493
Interest	2,500	2,500	11,067	8,697
Miscellaneous	-	-	128,796	-
Total Revenues	97,500	97,500	483,663	329,190
Expenditures				
Public Safety	677,800	686,200	608,315	247,268
Net Change in Fund Balance	<u>\$ (580,300)</u>	<u>\$ (588,700)</u>	(124,652)	81,922
Fund Balance - Beginning			2,140,830	2,058,908
Fund Balance - Ending			<u>\$ 2,016,178</u>	<u>\$ 2,140,830</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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Charges for Services	\$ 1,297,200	\$ 1,297,200	\$ 1,310,526	\$ 1,121,745
Fines and Forfeitures	90,000	90,000	89,631	96,060
Interest	22,000	22,000	63,764	32,976
Miscellaneous	-	-	312,981	-
Total Revenues	1,409,200	1,409,200	1,776,902	1,250,781
Expenditures				
Highways and Streets				
Personal Services	514,600	514,600	511,015	494,311
Contractual Services	471,500	471,500	383,033	302,877
Other Charges	281,700	281,700	281,700	356,400
Commodities and Supplies	95,800	145,191	106,326	18,236
Capital Outlay	181,000	219,720	144,098	785,979
Total Expenditures	1,544,600	1,632,711	1,426,172	1,957,803
Excess (Deficiency) of Revenues Over (Under) Expenditures	(135,400)	(223,511)	350,730	(707,022)
Other Financing Sources				
Transfers In	-	475,000	475,000	-
Net Change in Fund Balance	\$ (135,400)	\$ 251,489	825,730	(707,022)
Fund Balance - Beginning			3,889,255	4,596,277
Fund Balance - Ending			\$ 4,714,985	\$ 3,889,255

**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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ -	\$ -
Expenditures				
Highways and Streets				
Other Expenditures	-	-	-	131,701
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	(131,701)
Fund Balance - Beginning			-	131,701
Fund Balance - Ending			<u>\$ -</u>	<u>\$ -</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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2018
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Expenditures				
Highways and Streets				
Other Charges	-	-	-	982
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	(982)
Fund Balance - Beginning			-	982
Fund Balance - Ending			<u>\$ -</u>	<u>\$ -</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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ -	\$ -	\$ -	\$ 342,893
Interest	-	-	-	7,505
Total Revenues	-	-	-	350,398
Expenditures				
Community Development				
Contractual Services	-	-	-	-
Other Expenditures	-	-	-	1,579,962
Total Expenditures	-	-	-	1,579,962
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(1,229,564)
Other Financing (Uses)				
Transfers Out	-	-	-	(156,355)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	(1,385,919)
Fund Balance - Beginning			-	1,385,919
Fund Balance - Ending			<u>\$ -</u>	<u>\$ -</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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 358,000	\$ 358,000	\$ 575,192	\$ 504,366
Interest	6,100	6,100	33,061	12,273
Miscellaneous	-	-	-	1,500
Total Revenues	364,100	364,100	608,253	518,139
Expenditures				
Community Development				
Contractual Services	50,000	82,046	41,779	32,828
Other Expenditures	50,000	50,000	50,000	50,000
Capital Outlay	610,000	610,149	1,273	3,008
Total Expenditures	710,000	742,195	93,052	85,836
Net Change in Fund Balance	<u>\$ (345,900)</u>	<u>\$ (378,095)</u>	515,201	432,303
Fund Balance - Beginning			1,706,216	1,273,913
Fund Balance - Ending			<u>\$ 2,221,417</u>	<u>\$ 1,706,216</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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$    16,000	\$    16,000	\$   738,079	\$    55,502
Interest	400	400	15,024	4,842
Total Revenues	16,400	16,400	753,103	60,344
Expenditures				
Community Development				
Contractual Services	10,000	10,000	800	400
Other Expenditures	-	-	-	11,732
Capital Outlay	295,000	318,947	1,787	2,179
Total Expenditures	305,000	328,947	2,587	14,311
Net Change in Fund Balance	<u>\$  (288,600)</u>	<u>\$  (312,547)</u>	750,516	46,033
Fund Balance - Beginning			653,836	607,803
Fund Balance - Ending			<u>\$  1,404,352</u>	<u>\$    653,836</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, 2018**

**(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 374,000	\$ 374,000	\$ 597,645	\$ 452,970
Interest	2,500	2,500	15,864	3,034
Total Revenues	376,500	376,500	613,509	456,004
Expenditures				
Community Development				
Contractual Services	30,000	37,325	2,060	9,975
Other Expenditures	30,000	30,000	30,000	15,000
Capital Outlay	500,000	500,000	-	-
Total Expenditures	560,000	567,325	32,060	24,975
Net Change in Fund Balance	<u>\$ (183,500)</u>	<u>\$ (190,825)</u>	581,449	431,029
Fund Balance - Beginning			574,331	143,302
Fund Balance - Ending			\$ 1,155,780	\$ 574,331

**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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ -	\$ 18,548
Expenditures				
Health and Welfare				
Personal Services	-	-	-	158,514
Contractual Services	-	-	-	3,058
Commodities and Supplies	-	-	-	4,357
Capital Outlay	-	-	-	467,075
Total Expenditures	-	-	-	633,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(614,456)
Other Financing (Uses)				
Transfers Out	-	-	-	(5,492,017)
Net Change in Fund Balance	\$ -	\$ -	-	(6,106,473)
Fund Balance - Beginning			-	6,106,473
Fund Balance - Ending			\$ -	\$ -

## **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, 2018 and December 31, 2017**

---

**See Following Page**



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****Water and Sewer - Enterprise Fund****Statement of Net Position****December 31, 2018 and December 31, 2017**

	12/31/2018	12/31/2017
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 2,275,448	\$ 1,113,348
Receivables - Net of Allowances		
Accounts - Customer	2,536,436	2,519,908
Accrued Interest	2,414	1,269
Other	10,749	14,170
Prepays	7,600	7,600
Inventories	648,235	587,094
Total Current Assets	5,480,882	4,243,389
Noncurrent Assets		
Capital Assets		
Nondepreciable	2,648,950	2,648,950
Depreciable	101,652,558	101,032,822
Accumulated Depreciation	(79,954,050)	(78,684,423)
Total Capital Assets	24,347,458	24,997,349
Other Assets		
Investment in Joint Venture	16,305,339	15,647,720
Total Noncurrent Assets	40,652,797	40,645,069
Total Assets	46,133,679	44,888,458
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	2,559,483	887,786
Deferred Items - RBP	186,152	-
Total Deferred Outflows of Resources	2,745,635	887,786
Total Assets and Deferred Outflows of Resources	48,879,314	45,776,244

	12/31/2018	12/31/2017
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	697,535	812,164
Accrued Payroll	121,269	102,072
Compensated Absences Payable	43,354	47,407
Total Current Liabilities	862,158	961,643
Long-Term Liabilities		
Compensated Absences Payable	173,415	189,627
Net Pension Liability - IMRF	5,052,438	841,805
Total OPEB Liability - RBP	884,719	159,005
Total Long-Term Liabilities	6,110,572	1,190,437
Total Liabilities	6,972,730	2,152,080
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Items - IMRF	468,765	2,874,185
Deferred Items - RBP	67,539	-
	536,304	2,874,185
Total Liabilities and Deferred Inflows of Resources	7,509,034	5,026,265
<b>NET POSITION</b>		
Investment in Capital Assets	24,347,458	24,997,349
Unrestricted	17,022,822	15,752,630
Total Net Position	\$ 41,370,280	\$ 40,749,979

**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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 19,402,100	\$ 19,402,100	\$ 18,856,896	\$ 18,740,738
Miscellaneous	87,000	87,000	110,370	118,183
Total Operating Revenues	19,489,100	19,489,100	18,967,266	18,858,921
Operating Expenses				
Operations				
Personal Services	6,614,500	6,614,500	6,439,336	6,108,788
Contractual Services	2,514,400	2,590,000	2,451,913	2,282,587
Northwest Water Commission	3,926,000	3,926,000	3,676,300	3,432,893
Commodities	835,200	835,200	601,835	720,711
Charges for Services	1,913,700	1,841,200	1,666,904	1,619,531
Capital Outlay	2,842,200	3,239,679	2,140,661	2,567,434
Depreciation	-	-	1,269,627	1,284,094
Total Operating Expenses	18,646,000	19,046,579	18,246,576	18,016,038
Operating Income	843,100	442,521	720,690	842,883
Nonoperating Revenues				
Interest Income	5,000	5,000	22,923	8,931
Other Income	16,000	16,000	497,617	-
	21,000	21,000	520,540	8,931
Change in Net Position	864,100	463,521	1,241,230	851,814
Net Position - Beginning as Restated			40,129,050	39,898,165
Net Position - Ending			\$ 41,370,280	\$ 40,749,979

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Water and Sewer - Enterprise Fund

### Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

		12/31/2018			12/31/2017
		Budget		Actual	Actual
		Original	Final		
Operations					
Personal Services					
Finance					
	Salaries	\$ 602,100	\$ 602,100	\$ 552,896	\$ 548,730
	Overtime	500	500	-	-
	Workers' Compensation	1,200	1,200	1,200	1,200
	Medical Insurance	152,000	152,000	152,000	105,000
	IMRF	78,600	78,600	70,079	107,903
	FICA	37,400	37,400	32,644	32,546
	Medicare	8,700	8,700	7,635	7,611
Water Utility Operations					
	Salaries	3,526,200	3,526,200	3,414,433	3,346,305
	Overtime	410,300	410,300	333,305	275,989
	Workers' Compensation	253,000	253,000	253,000	250,500
	Medical Insurance	718,900	718,900	718,900	673,000
	IMRF	510,600	510,600	626,661	458,288
	FICA	243,900	243,900	235,313	224,152
	Medicare	57,100	57,100	55,098	52,423
	OPEB Liability	14,000	14,000	(13,828)	25,141
Total Personal Services		6,614,500	6,614,500	6,439,336	6,108,788
Contractual Services					
Finance					
	Professional Services	15,100	15,100	15,155	12,270
	Other Services	90,000	90,000	110,174	77,398
	Travel and Training	500	500	-	-
	Postage	71,000	71,000	66,718	64,602
	Printing	13,200	13,200	7,647	9,849
	IT/GIS Service Charge	55,500	55,500	55,500	58,200
Water Utility Operations					
	Professional Services	59,800	80,400	58,618	42,040
	General Insurance	63,200	63,200	63,200	62,600
	Equipment Maintenance	51,500	51,500	26,727	18,728
	Building Maintenance	10,000	10,000	-	16

# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operations - Continued				
Contractual Services - Continued				
Water Utility Operations - Continued				
Pumping Station Maintenance	\$ 20,000	\$ 20,000	\$ 5,010	\$ 7,095
Sewer Collection System	25,000	25,000	-	6,351
Water Distribution System	364,900	364,900	347,594	336,378
Meter Installation	185,000	240,000	229,888	190,795
Equipment Rental	181,000	181,000	183,989	180,477
Utility Services	393,600	393,600	407,233	367,648
Disposal Services	52,400	52,400	23,632	66,889
Other Services	62,700	62,700	54,635	41,279
Dues	5,000	5,000	4,841	5,301
Travel and Training	16,600	16,600	11,684	17,610
Postage	1,500	1,500	271	143
Printing	2,500	2,500	729	2,446
Annual Consumer Report	3,000	3,000	1,804	1,775
IT/GIS Service Charge	181,800	181,800	181,800	153,900
Claims and Refunds	10,000	10,000	7,177	5,424
Vehicle/Equipment Lease Charge	533,600	533,600	533,600	507,800
Telephone Services	46,000	46,000	54,287	45,573
Total Contractual Services	2,514,400	2,590,000	2,451,913	2,282,587
Northwest Water Commission	3,926,000	3,926,000	3,676,300	3,432,893
Commodities				
Finance				
Office Supplies and Equipment	2,300	2,300	-	16
Overhead Sewer Rebate Program	100,000	100,000	-	91,300
Water Utility Operations				
Publications and Periodicals	500	500	1,109	61
Office Supplies and Equipment	5,200	5,200	3,734	4,737
Data System Supplies	7,200	7,200	1,747	2,082
Clothing	24,700	24,700	24,375	23,696
Petroleum Products	59,500	59,500	73,709	58,994
Water Distribution Supplies	177,500	177,500	77,929	136,215
Meter/Backflow Devices	136,000	136,000	124,211	179,934

# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operations - Continued				
Commodities - Continued				
Water Utility Operations - Continued				
Pumping and Storage Supplies	\$ 25,000	\$ 25,000	\$ 25,702	\$ 22,701
Sewer and Collection Supplies	23,500	23,500	34,639	6,440
Agricultural Supplies	13,300	13,300	573	1,380
Building Supplies	13,500	13,500	19,594	10,817
Chemicals	10,000	10,000	16,112	5,211
Other Equipment and Supplies	78,500	78,500	58,359	48,892
Small Tools and Equipment	15,500	15,500	11,339	13,480
Street and Sidewalk Supplies	125,000	125,000	123,897	111,808
Other Supplies	18,000	18,000	4,806	2,947
Total Commodities	835,200	835,200	601,835	720,711
Charges for Services				
Water Utility Operations				
Administrative Service Charge	1,666,900	1,666,900	1,666,900	1,618,300
Operating Contingency	246,800	174,300	-	1,231
Other	-	-	4	-
Total Charges for Services	1,913,700	1,841,200	1,666,904	1,619,531
Capital Outlay				
Water Utility Operations				
Office Equipment	15,000	18,685	10,383	48,902
Other Equipment	404,100	611,920	312,755	793,200
Building Improvement	20,000	20,000	18,374	10,036
Construction in Progress	2,403,100	2,589,074	2,418,885	3,088,260
	2,842,200	3,239,679	2,760,397	3,940,398
Less Capital Assets Capitalized	-	-	(619,736)	(1,372,964)
Total Capital Outlay	2,842,200	3,239,679	2,140,661	2,567,434
Depreciation	-	-	1,269,627	1,284,094
Total Operating Expenses	\$ 18,646,000	\$ 19,046,579	\$ 18,246,576	\$ 18,016,038

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****Combining Statement of Net Position - Nonmajor Enterprise Funds  
December 31, 2018**

	Solid Waste Disposal	Arts, Entertainment and Events	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 4,006,890	\$ 383,749	\$ 4,390,639
Receivables - Net of Allowances			
Accrued Interest	4,963	639	5,602
Other	42,571	64,681	107,252
Prepays	99,259	-	99,259
Total Current Assets	4,153,683	449,069	4,602,752
Noncurrent Assets			
Capital Assets			
Nondepreciable	-	475,200	475,200
Depreciable	-	2,580,746	2,580,746
Accumulated Depreciation	-	(1,113,625)	(1,113,625)
Total Noncurrent Assets	-	1,942,321	1,942,321
Total Assets	4,153,683	2,391,390	6,545,073
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	234,883	4,003	238,886
<b>NET POSITION</b>			
Investment in Capital Assets	-	1,942,321	1,942,321
Unrestricted	3,918,800	445,066	4,363,866
Total Net Position	\$ 3,918,800	\$ 2,387,387	\$ 6,306,187

# 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, 2018

	Solid Waste Disposal	Arts, Entertainment and Events	Totals
Operating Revenues			
Charges for Services	\$ 1,892,921	\$ 131,426	\$ 2,024,347
Operating Expenses			
Operations	1,468,304	667,563	2,135,867
Depreciation	-	68,019	68,019
Total Operating Expenses	1,468,304	735,582	2,203,886
Operating Income (Loss)	424,617	(604,156)	(179,539)
Nonoperating Revenues (Expenses)			
Food and Beverage Tax	-	692,286	692,286
Interest Income	63,676	6,930	70,606
Other Income	2,265	-	2,265
Other Expense	-	(84,671)	(84,671)
	65,941	614,545	680,486
Income Before Transfers	490,558	10,389	500,947
Transfers In	-	20,012	20,012
Transfers Out	(500,000)	-	(500,000)
	(500,000)	20,012	(479,988)
Change in Net Position	(9,442)	30,401	20,959
Net Position - Beginning	3,928,242	2,356,986	6,285,228
Net Position - Ending	\$ 3,918,800	\$ 2,387,387	\$ 6,306,187



# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Combining Statement of Cash Flows - Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2018

	Solid Waste Disposal	Arts, Entertainment and Events	Totals
Cash Flows from Operating Activities			
Receipts from Customers and Users	\$ 1,892,921	\$ 131,426	\$ 2,024,347
Payment to Suppliers	(1,321,670)	(568,020)	(1,889,690)
Payment to Employees	-	(171,099)	(171,099)
	<u>571,251</u>	<u>(607,693)</u>	<u>(36,442)</u>
Cash Flow from Noncapital Financing Activities			
Transfers In	-	20,012	20,012
Transfers Out	(500,000)	-	(500,000)
Food and Beverage Tax	-	692,286	692,286
Other Income (Expense)	2,265	(84,671)	(82,406)
	<u>(497,735)</u>	<u>627,627</u>	<u>129,892</u>
Cash Flows from Investing Activities			
Interest Received	<u>63,676</u>	<u>6,930</u>	<u>70,606</u>
Net Change in Cash and Cash Equivalents	137,192	26,864	164,056
Cash and Cash Equivalents - Beginning	<u>3,869,698</u>	<u>356,885</u>	<u>4,226,583</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,006,890</u>	<u>\$ 383,749</u>	<u>\$ 4,390,639</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.			
Operating Income (Loss)	\$ 424,617	\$ (604,156)	\$ (179,539)
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	74,674	(61,568)	13,106
Increase (Decrease) in Current Liabilities	<u>71,960</u>	<u>(9,988)</u>	<u>61,972</u>
Net Cash Provided by Operating Activities	<u>\$ 571,251</u>	<u>\$ (607,693)</u>	<u>\$ (36,442)</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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 1,960,000	\$ 1,960,000	\$ 1,892,921	\$ 1,946,842
Operating Expenses				
Operations	1,602,600	1,602,600	1,468,304	1,283,229
Operating Income	357,400	357,400	424,617	663,613
Nonoperating Revenues				
Interest Income	4,000	4,000	63,676	29,220
Other Income	-	-	2,265	-
	4,000	4,000	65,941	29,220
Income Before Transfers	361,400	361,400	490,558	692,833
Transfers Out	(500,000)	(500,000)	(500,000)	(500,000)
Change in Net Position	<u>\$ (138,600)</u>	<u>\$ (138,600)</u>	(9,442)	192,833
Net Position - Beginning			3,928,242	3,735,409
Net Position - Ending			<u>\$ 3,918,800</u>	<u>\$ 3,928,242</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, 2018

(with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services				
Social Events	\$ 114,100	\$ 114,100	\$ 113,426	\$ 108,166
Building Management Fees	18,000	18,000	18,000	18,000
Total Operating Revenues	132,100	132,100	131,426	126,166
Operating Expenses				
Operations	715,100	741,130	667,563	727,838
Depreciation	-	-	68,019	68,019
Total Operating Expenses	715,100	741,130	735,582	795,857
Operating Income (Loss)	(583,000)	(609,030)	(604,156)	(669,691)
Nonoperating Revenues (Expenses)				
Food and Beverage Tax	664,200	664,200	692,286	656,954
Interest Income	2,500	2,500	6,930	3,665
Other Income	108,000	133,760	-	-
Other Expense	(210,800)	(216,300)	(84,671)	(80,251)
	563,900	584,160	614,545	580,368
Income (Loss) Before Transfers	(19,100)	(24,870)	10,389	(89,323)
Transfers In	20,000	20,000	20,012	-
Change in Net Position	\$ 900	\$ (4,870)	30,401	(89,323)
Net Position - Beginning			2,356,986	2,446,309
Net Position - Ending			\$ 2,387,387	\$ 2,356,986

## **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, 2018

	Health and Life Insurance	Retiree Health Insurance
<b>ASSETS</b>		
Current Assets		
Cash and Investments	\$ 4,725,507	\$ 412,066
Receivables - Net of Allowances		
Accrued Interest	2,545	-
Other	13,116	-
Prepaid and Inventories	-	-
Total Current Assets	4,741,168	412,066
Noncurrent Assets		
Capital Assets		
Depreciable	-	-
Accumulated Depreciation	-	-
Total Noncurrent Assets	-	-
Total Assets	4,741,168	412,066
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Items - RBP	12,063	-
Total Assets and Deferred Outflows of Resources	4,753,231	412,066
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	364,904	-
Accrued Payroll	2,704	-
Claims Payable	1,008,855	412,066
Compensated Absences Payable	535	-
Total Current Liabilities	1,376,998	412,066
Long-Term Liabilities		
Compensated Absences Payable	2,142	-
Total OPEB Liability - RBP	23,681	-
Total Long-Term Liabilities	25,823	-
Total Liabilities	1,402,821	412,066
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Items - RBP	217	-
Total Liabilities and Deferred Inflows of Resources	1,403,038	412,066
<b>NET POSITION</b>		
Investment in Capital Assets	-	-
Unrestricted	3,350,193	-
Total Net Position	\$ 3,350,193	\$ -

General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Totals
\$ 3,386,868	\$ 5,141,128	\$ 7,646,400	\$ 2,518,331	\$ 23,830,300
4,043	6,915	9,180	3,001	25,684
11,381	19,170	14,602	4,917	63,186
8,896	26,689	76,560	-	112,145
3,411,188	5,193,902	7,746,742	2,526,249	24,031,315
-	-	21,165,251	66,335	21,231,586
-	-	(12,662,098)	(19,194)	(12,681,292)
-	-	8,503,153	47,141	8,550,294
3,411,188	5,193,902	16,249,895	2,573,390	32,581,609
-	2,533	16,293	27,987	58,876
3,411,188	5,196,435	16,266,188	2,601,377	32,640,485
16,351	194,594	373,820	50,173	999,842
-	2,527	25,232	13,149	43,612
125,767	681,663	-	-	2,228,351
-	2,243	16,283	6,784	25,845
142,118	881,027	415,335	70,106	3,297,650
-	8,974	65,131	27,134	103,381
-	6,191	146,668	84,634	261,174
-	15,165	211,799	111,768	364,555
142,118	896,192	627,134	181,874	3,662,205
-	2,566	-	5,954	8,737
142,118	898,758	627,134	187,828	3,670,942
-	-	8,503,153	47,141	8,550,294
3,269,070	4,297,677	7,135,901	2,366,408	20,419,249
\$ 3,269,070	\$ 4,297,677	\$ 15,639,054	\$ 2,413,549	\$ 28,969,543

# 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, 2018

	Health and Life Insurance	Retiree Health Insurance
Operating Revenues		
Charges for Services	\$ 10,660,933	\$ 2,172,641
Fines and Forfeitures	-	-
Workman's Comp Reimbursements	-	-
Miscellaneous	1,361,892	124,374
Total Operating Revenues	12,022,825	2,297,015
Operating Expenses		
Operations	11,851,183	3,116,001
Depreciation	-	-
Total Operating Expenses	11,851,183	3,116,001
Operating Income (Loss)	171,642	(818,986)
Nonoperating Revenues (Expenses)		
Capital Contributions	-	-
Interest Income	30,261	-
Other Income	14,392	-
	44,653	-
Income (Loss) Before Transfers	216,295	(818,986)
Transfers In	-	818,986
Transfers Out	(818,986)	-
	(818,986)	818,986
Change in Net Position	(602,691)	-
Net Position - Beginning as Restated	3,952,884	-
Net Position - Ending	\$ 3,350,193	\$ -

General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Totals
\$ 826,600	\$ 2,073,100	\$ 3,484,775	\$ 1,674,500	\$ 20,892,549
-	-	56,546	-	56,546
-	5,677	-	-	5,677
-	-	179,423	-	1,665,689
826,600	2,078,777	3,720,744	1,674,500	22,620,461
592,666	2,518,037	2,170,277	1,507,259	21,755,423
-	-	1,401,572	6,633	1,408,205
592,666	2,518,037	3,571,849	1,513,892	23,163,628
233,934	(439,260)	148,895	160,608	(543,167)
-	-	275,000	-	275,000
49,492	74,707	111,136	38,434	304,030
-	30,636	19,700	-	64,728
49,492	105,343	405,836	38,434	643,758
283,426	(333,917)	554,731	199,042	100,591
-	-	-	-	818,986
-	-	-	-	(818,986)
-	-	-	-	-
283,426	(333,917)	554,731	199,042	100,591
2,985,644	4,631,594	15,084,323	2,214,507	28,868,952
\$ 3,269,070	\$ 4,297,677	\$ 15,639,054	\$ 2,413,549	\$ 28,969,543



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**Combining Statement of Cash Flows - Internal Service Funds  
For the Fiscal Year Ended December 31, 2018**

	Health and Life Insurance	Retiree Health Insurance
Cash Flows from Operating Activities		
Interfund Services Provided	\$ 12,022,825	\$ 2,297,015
Payment to Suppliers	(11,559,813)	(3,064,805)
Payment to Employees	(159,520)	-
	<u>303,492</u>	<u>(767,790)</u>
Cash Flows from Noncapital Financing Activities		
Transfers In	-	818,986
Transfers Out	(818,986)	-
	<u>(818,986)</u>	<u>818,986</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>30,261</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(485,233)	51,196
Cash and Cash Equivalents - Beginning	<u>5,210,740</u>	<u>360,870</u>
Cash and Cash Equivalents - Ending	<u>\$ 4,725,507</u>	<u>\$ 412,066</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 171,642	\$ (818,986)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities		
Depreciation	-	-
Other Income (Expenses)	14,392	-
(Increase) Decrease in Current Assets	(9,363)	-
Increase (Decrease) in Current Liabilities	<u>126,821</u>	<u>51,196</u>
Net Cash Provided by Operating Activities	<u>\$ 303,492</u>	<u>\$ (767,790)</u>

General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Totals
\$ 826,600 (488,226) -	\$ 2,078,777 (2,336,278) (125,473)	\$ 3,720,744 346,702 (1,496,001)	\$ 1,674,500 (858,349) (681,057)	\$ 22,620,461 (17,960,769) (2,462,051)
338,374	(382,974)	2,571,445	135,094	2,197,641
-	-	-	-	818,986
-	-	-	-	(818,986)
-	-	-	-	-
-	-	67,403	-	67,403
-	-	(1,211,751)	(15,240)	(1,226,991)
-	-	(1,144,348)	(15,240)	(1,159,588)
49,492	74,707	111,136	38,434	304,030
387,866	(308,267)	1,538,233	158,288	1,342,083
2,999,002	5,449,395	6,108,167	2,360,043	22,488,217
\$ 3,386,868	\$ 5,141,128	\$ 7,646,400	\$ 2,518,331	\$ 23,830,300
\$ 233,934	\$ (439,260)	\$ 148,895	\$ 160,608	\$ (543,167)
-	-	1,401,572	6,633	1,408,205
-	30,636	19,700	-	64,728
182,505	326,275	667,907	(27,459)	1,139,865
(78,065)	(300,625)	333,371	(4,688)	128,010
\$ 338,374	\$ (382,974)	\$ 2,571,445	\$ 135,094	\$ 2,197,641

# 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, 2018

(with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 9,024,800	\$ 9,024,800	\$ 10,660,933	\$ 9,851,267
Miscellaneous	1,332,100	1,332,100	1,361,892	1,285,753
Total Operating Revenues	10,356,900	10,356,900	12,022,825	11,137,020
Operating Expenses				
Operations				
Personal Services	456,100	456,100	159,520	152,475
Contractual Services	4,282,000	4,289,500	4,071,627	3,975,469
Commodities	500	500	670	500
Insurance Claims	5,543,000	5,543,000	7,619,366	6,397,882
Total Operating Expenses	10,281,600	10,289,100	11,851,183	10,526,326
Operating Income	75,300	67,800	171,642	610,694
Nonoperating Revenues				
Interest Income	4,600	4,600	30,261	6,433
Other Income	-	-	14,392	15,501
	4,600	4,600	44,653	21,934
Income Before Transfers	79,900	72,400	216,295	632,628
Transfers In	-	-	-	2,000,000
Transfers Out	(1,565,000)	(1,565,000)	(818,986)	(536,418)
Change in Net Position	\$ (1,485,100)	\$ (1,492,600)	(602,691)	2,096,210
Net Position - Beginning as Restated			3,952,884	1,857,769
Net Position - Ending			\$ 3,350,193	\$ 3,953,979

# **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, 2018**

**(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 2,122,000	\$ 2,122,000	\$ 2,172,641	\$ 1,910,355
Miscellaneous Income	97,000	97,000	124,374	97,089
Total Operating Revenues	2,219,000	2,219,000	2,297,015	2,007,444
Operating Expenses				
Operations				
Contractual Services	673,500	673,500	587,000	583,208
Insurance Claims and Premiums	3,110,500	3,110,500	2,529,001	1,960,654
Total Operating Expenses	3,784,000	3,784,000	3,116,001	2,543,862
Income (Loss) Before Transfers	(1,565,000)	(1,565,000)	(818,986)	(536,418)
Transfers In	1,565,000	1,565,000	818,986	536,418
Change in Net Position	<u>\$ -</u>	<u>\$ -</u>	-	-
Net Position - Beginning			-	-
Net Position - Ending			<u>\$ -</u>	<u>\$ -</u>

# **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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 826,600	\$ 826,600	\$ 826,600	\$ 820,400
Miscellaneous Income	-	-	-	99
Total Operating Revenues	826,600	826,600	826,600	820,499
Operating Expenses				
Operations				
Contractual Services	335,000	335,000	303,432	423,885
Insurance Claims	500,000	500,000	109,843	305,606
Miscellaneous			179,391	-
Total Operating Expenses	835,000	835,000	592,666	729,491
Operating Income (Loss)	(8,400)	(8,400)	233,934	91,008
Nonoperating Revenues				
Interest Income	8,500	8,500	49,492	21,060
Change in Net Position	<u>\$ 100</u>	<u>\$ 100</u>	283,426	112,068
Net Position - Beginning			<u>2,985,644</u>	<u>2,873,576</u>
Net Position - Ending			<u>\$ 3,269,070</u>	<u>\$ 2,985,644</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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 2,073,100	\$ 2,073,100	\$ 2,073,100	\$ 2,057,500
Workman's Comp Reimbursements	-	-	5,677	85,512
Total Operating Revenues	2,073,100	2,073,100	2,078,777	2,143,012
Operating Expenses				
Operations				
Personal Services	147,500	147,500	125,473	120,224
Contractual Services	1,075,000	1,075,000	916,506	687,472
Commodities	1,900	1,900	1,273	902
Insurance Claims	865,000	865,000	1,150,449	1,652,831
Miscellaneous	-	-	324,336	-
Total Operating Expenses	2,089,400	2,089,400	2,518,037	2,461,429
Operating Income (Loss)	(16,300)	(16,300)	(439,260)	(318,417)
Nonoperating Revenues				
Interest Income	17,000	17,000	74,707	42,660
Other Income	-	-	30,636	1,985
	17,000	17,000	105,343	44,645
Change in Net Position	\$ 700	\$ 700	(333,917)	(273,772)
Net Position - Beginning as Restated			4,631,594	4,900,935
Net Position - Ending			\$ 4,297,677	\$ 4,627,163

# 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, 2018

(with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 3,488,600	\$ 3,488,600	\$ 3,484,775	\$ 3,412,991
Fines and Forfeitures	30,000	30,000	56,546	54,677
Miscellaneous Income	200,000	200,000	179,423	240,118
Total Operating Revenues	3,718,600	3,718,600	3,720,744	3,707,786
Operating Expenses				
Operations				
Personal Services	1,581,900	1,581,900	1,496,001	1,495,387
Contractual Services	310,000	320,257	293,354	242,830
Commodities	414,700	404,443	380,922	326,183
Capital Outlay	1,930,500	2,137,714	-	-
Depreciation	-	-	1,401,572	1,377,161
Total Operating Expenses	4,237,100	4,444,314	3,571,849	3,441,561
Operating Income (Loss)	(518,500)	(725,714)	148,895	266,225
Nonoperating Revenues (Expenses)				
Capital Contributions	-	-	275,000	-
Interest Income	25,000	25,000	111,136	51,407
Grant Income	-	-	-	59,200
Other Income	-	-	19,700	-
	25,000	25,000	405,836	110,607
Change in Net Position	\$ (493,500)	\$ (700,714)	554,731	376,832
Net Position - Beginning as Restated			15,084,323	14,716,119
Net Position - Ending			\$ 15,639,054	\$ 15,092,951

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Fleet Operations - Internal Service Fund

### Schedule of Operating Expenses - Budget and Actual For the Fiscal Year Ended December 31, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Personal Services				
Salaries	\$ 1,048,400	\$ 1,048,400	\$ 988,744	\$ 1,002,572
Overtime	55,900	55,900	51,030	21,641
Workers' Compensation	48,600	48,600	48,600	48,100
Medical Insurance	200,700	200,700	200,700	200,200
IMRF	138,800	138,800	128,196	123,130
Social Security	68,500	68,500	62,934	61,347
Medicare	16,000	16,000	14,719	14,347
OPEB Liability	5,000	5,000	1,078	13,919
Compensated Absences	-	-	-	10,131
Total Personal Services	1,581,900	1,581,900	1,496,001	1,495,387
Contractual Services				
Equipment Maintenance	19,000	19,000	26,765	13,451
Vehicle Equipment Maintenance	195,600	205,857	176,815	150,079
Vehicle Damage	30,000	30,000	34,054	21,512
Equipment Rental	3,000	3,000	3,500	1,937
Disposal Services	2,000	2,000	1,161	1,384
Other Services	-	-	600	360
Dues	500	500	815	555
Travel and Training	4,400	4,400	2,757	4,732
Postage	300	300	137	81
Printing	400	400	-	357
IT/GIS Service Charge	21,400	21,400	21,400	23,300
Vehicle and Equipment Lease Charge	16,400	16,400	16,400	12,900
Wheeling Bus Maintenance	17,000	17,000	8,950	12,182
Total Contractual Services	310,000	320,257	293,354	242,830
Commodities				
Publications and Periodicals	100	100	-	-
Office Supplies and Equipment	700	700	773	376
Clothing	5,800	5,800	8,895	5,923
Petroleum Products	600	600	1,268	845
Non-Village Fuel Resale	116,300	116,300	109,657	98,186



**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, 2018**  
**(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Commodities - Continued				
Vehicle Maintenance Supplies	\$ 243,700	\$ 243,700	\$ 249,058	\$ 202,592
Other Equipment and Supplies	12,100	12,100	7,188	12,704
Small Tools and Equipment	4,000	4,000	2,822	4,411
Other Supplies	1,400	1,400	1,261	1,146
Operating Contingency	30,000	19,743	-	-
Total Commodities	414,700	404,443	380,922	326,183
Capital Outlay	1,930,500	2,137,714	1,486,751	2,067,223
Less Nonoperating Items				
Capital Assets Capitalized	-	-	(1,486,751)	(2,067,223)
Total Capital Outlay	1,930,500	2,137,714	-	-
Depreciation	-	-	1,401,572	1,377,161
Total Operating Expenses	\$ 4,237,100	\$ 4,444,314	\$ 3,571,849	\$ 3,441,561

# **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, 2018**

**(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Operating Revenues				
Charges for Services	\$ 1,680,500	\$ 1,680,500	\$ 1,674,500	\$ 1,663,700
Operating Expenses				
Operations				
Personal Services	700,100	700,100	681,057	740,560
Contractual Services	668,800	672,560	584,917	500,427
Commodities	69,800	69,800	54,710	62,947
Capital Outlay	241,800	253,803	186,575	140,355
Depreciation	-	-	6,633	5,109
Total Operating Expenses	1,680,500	1,696,263	1,513,892	1,449,398
Operating Income (Loss)	-	(15,763)	160,608	214,302
Nonoperating Revenues (Expenses)				
Interest Income	6,000	6,000	38,434	17,406
Other Income	-	-	-	22,682
	6,000	6,000	38,434	40,088
Change in Net Position	<u>\$ 6,000</u>	<u>\$ (9,763)</u>	199,042	254,390
Net Position - Beginning as Restated			2,214,507	1,946,942
Net Position - Ending			<u>\$ 2,413,549</u>	<u>\$ 2,201,332</u>

## **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 Collection 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, 2018**

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,850,543	\$ 1,129,684	\$ 4,980,227
Investments			
U.S. Treasury Obligations	15,381,844	7,926,184	23,308,028
U.S. Agency Obligations	995,476	8,593,713	9,589,189
U.S. Property Real Estate	-	14,392,307	14,392,307
Corporate and Foreign Corporate Bonds	23,962,595	19,082,535	43,045,130
Municipal Bonds	1,095,253	1,650,561	2,745,814
Common Stock	39,399,085	5,056,275	44,455,360
Mutual Funds	37,032,152	47,019,762	84,051,914
Receivables - Net of Allowance			
Accrued Interest	516,173	298,064	814,237
Other	325	348	673
Due from Other Funds	1,562,009	1,580,513	3,142,522
Total Assets	123,795,455	106,729,946	230,525,401
<b>LIABILITIES</b>			
Other Payables	29,092	-	29,092
<b>NET POSITION</b>			
Net Position Restricted for Pensions	\$ 123,766,363	\$ 106,729,946	\$ 230,496,309

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Pension Trust Funds

### Combining Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2018

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 5,379,000	\$ 6,353,000	\$ 11,732,000
Contributions - Plan Members	1,144,554	1,065,390	2,209,944
Contributions - Other	11,828	641	12,469
Total Contributions	6,535,382	7,419,031	13,954,413
Investment Income			
Interest Earned	3,101,589	2,241,493	5,343,082
Net Change in Fair Value	(8,773,017)	(5,691,806)	(14,464,823)
	(5,671,428)	(3,450,313)	(9,121,741)
Less Investment Expenses	(363,324)	(212,298)	(575,622)
Net Investment Income	(6,034,752)	(3,662,611)	(9,697,363)
Total Additions	500,630	3,756,420	4,257,050
Deductions			
Administration	34,640	28,953	63,593
Benefits and Refunds	7,136,881	6,832,215	13,969,096
Total Deductions	7,171,521	6,861,168	14,032,689
Change in Fiduciary Net Position	(6,670,891)	(3,104,748)	(9,775,639)
Net Position Restricted for Pensions			
Beginning	130,437,254	109,834,694	240,271,948
Ending	\$ 123,766,363	\$ 106,729,946	\$ 230,496,309

# 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, 2018 (with Comparative Actuals for the Year Ended December 31, 2017)

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Additions				
Contributions - Employer	\$ 3,879,000	\$ 5,379,000	\$ 5,379,000	\$ 3,994,000
Contributions - Plan Members	1,100,000	1,100,000	1,144,554	1,151,412
Contributions - Other	-	-	11,828	1,127
Total Contributions	4,979,000	6,479,000	6,535,382	5,146,539
Investment Income				
Interest Earned	2,400,000	2,400,000	3,101,589	2,376,482
Net Change in Fair Value	1,700,000	1,700,000	(8,773,017)	15,063,226
	4,100,000	4,100,000	(5,671,428)	17,439,708
Less Investment Expenses	(315,000)	(315,000)	(363,324)	(341,612)
Net Investment Income	3,785,000	3,785,000	(6,034,752)	17,098,096
Total Additions	8,764,000	10,264,000	500,630	22,244,635
Deductions				
Administration	60,300	60,300	34,640	43,276
Benefits and Refunds	7,151,000	7,151,000	7,136,881	6,607,121
Total Deductions	7,211,300	7,211,300	7,171,521	6,650,397
Change in Fiduciary Net Position	\$ 1,552,700	\$ 3,052,700	(6,670,891)	15,594,238
Net Position Restricted for Pensions				
Beginning			130,437,254	114,843,016
Ending			\$ 123,766,363	\$ 130,437,254

**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, 2018  
(with Comparative Actuals for the Year Ended December 31, 2017)**

	12/31/2018			12/31/2017
	Budget		Actual	Actual
	Original	Final		
Additions				
Contributions - Employer	\$ 4,853,000	\$ 6,353,000	\$ 6,353,000	\$ 4,889,000
Contributions - Plan Members	1,040,000	1,040,000	1,065,390	1,021,422
Contributions - Other	-	-	641	5,406
Total Contributions	5,893,000	7,393,000	7,419,031	5,915,828
Investment Income				
Interest Earned	2,150,000	2,150,000	2,241,493	2,025,712
Net Change in Fair Value	2,000,000	2,000,000	(5,691,806)	10,888,611
	4,150,000	4,150,000	(3,450,313)	12,914,323
Less Investment Expenses	(234,900)	(234,900)	(212,298)	(233,841)
Net Investment Income	3,915,100	3,915,100	(3,662,611)	12,680,482
Total Additions	9,808,100	11,308,100	3,756,420	18,596,310
Deductions				
Administration	59,500	59,500	28,953	27,283
Benefits and Refunds	6,961,000	6,961,000	6,832,215	6,552,552
Total Deductions	7,020,500	7,020,500	6,861,168	6,579,835
Change in Fiduciary Net Position	\$ 2,787,600	\$ 4,287,600	(3,104,748)	12,016,475
Net Position Restricted for Pensions				
Beginning			109,834,694	97,818,219
Ending			\$ 106,729,946	\$ 109,834,694

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended December 31, 2018**

---

**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, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 2,442,039	\$ 1,842,952	\$ 2,442,039	\$ 1,842,952
Accounts Receivable	6,734	-	6,114	620
Accrued Interest Receivable	491	-	241	250
Total Assets	<u>\$ 2,449,264</u>	<u>\$ 1,842,952</u>	<u>\$ 2,448,394</u>	<u>\$ 1,843,822</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 22,650	\$ 9,400	\$ 22,650	\$ 9,400
Deposits Payable	2,426,597	1,834,405	2,426,597	1,834,405
Other Payables	17	-	-	17
Total Liabilities	<u>\$ 2,449,264</u>	<u>\$ 1,843,805</u>	<u>\$ 2,449,247</u>	<u>\$ 1,843,822</u>
<b>Guaranty Deposit Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 582,603	\$ 623,950	\$ 582,603	\$ 623,950
Accrued Interest Receivable	250	-	-	250
Total Assets	<u>\$ 582,853</u>	<u>\$ 623,950</u>	<u>\$ 582,603</u>	<u>\$ 624,200</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 20,650	\$ 3,400	\$ 20,650	\$ 3,400
Deposits Payable	562,203	620,800	562,203	620,800
Total Liabilities	<u>\$ 582,853</u>	<u>\$ 624,200</u>	<u>\$ 582,853</u>	<u>\$ 624,200</u>

	Beginning Balances	Additions	Deductions	Ending Balances
<b>Escrow Deposits Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 1,270,946	\$ 1,173,120	\$ 1,270,946	\$ 1,173,120
Accounts Receivable	620	-	-	620
Total Assets	<u>\$ 1,271,566</u>	<u>\$ 1,173,120</u>	<u>\$ 1,270,946</u>	<u>\$ 1,173,740</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,000	\$ 6,000	\$ 2,000	\$ 6,000
Deposits Payable	1,269,549	1,167,723	1,269,549	1,167,723
Other Payables	17	-	-	17
Total Liabilities	<u>\$ 1,271,566</u>	<u>\$ 1,173,723</u>	<u>\$ 1,271,549</u>	<u>\$ 1,173,740</u>
<b>Special Assessments Collection Fund</b>				
<b>ASSETS</b>				
Cash and Investments	\$ 588,490	\$ 45,882	\$ 588,490	\$ 45,882
Accounts Receivable	6,114	-	6,114	-
Accrued Interest Receivable	241	-	241	-
Total Assets	<u>\$ 594,845</u>	<u>\$ 45,882</u>	<u>\$ 594,845</u>	<u>\$ 45,882</u>
<b>LIABILITIES</b>				
Deposits Payable	<u>\$ 594,845</u>	<u>\$ 45,882</u>	<u>\$ 594,845</u>	<u>\$ 45,882</u>

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****Consolidated Year-End Financial Report****December 31, 2018**

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1004	Local Highway Safety Improvement Program	\$ 4,377	-	-	4,377
494-00-1488	Motor Fuel Tax Program	1,978,399	-	-	1,978,399
494-10-0343	State and Community Highway Safety/National Priority Safety Program	53,539	-	-	53,539
494-42-0495	Local Surface Transportation Program	1,010	-	-	1,010
546-00-1395	Victims of Crime Act (VOCA) FFY15	-	-	-	-
546-00-1445	Sex Offender Registration and Notification Act (SORNA) FFY16	13,600	-	-	13,600
546-00-1474	Victims of Crime Act (VOCA) FFY16	-	-	-	-
546-00-1745	Victims of Crime Act (VOCA) FFY18	71,934	-	28,340	100,274
569-00-2095	Law Enforcement Camera Grant FY19	34,251	-	-	34,251
	Other Grant Programs and Activities	-	599,704	48,506	648,210
	All Other Costs Not Allocated	-	-	110,070,465	110,070,465
	Totals	2,157,110	599,704	110,147,311	112,904,125



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING  
STANDARDS**

April 22, 2019

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated April 22, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULES**

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation Refunding Bonds of 2010 December 31, 2018

---

---

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
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>\$ 1,065,000</u>	<u>\$ 85,978</u>	<u>\$ 1,150,978</u>		<u>\$ 42,989</u>		<u>\$ 42,989</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Refunding Bonds of 2011 December 31, 2018

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
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>\$ 9,420,000</u>	<u>\$ 2,255,062</u>	<u>\$ 11,675,062</u>		<u>\$ 1,127,531</u>		<u>\$ 1,127,531</u>



## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation Refunding Bonds of 2012A December 31, 2018

---

---

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
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>\$ 6,520,000</u>	<u>\$ 338,700</u>	<u>\$ 6,858,700</u>		<u>\$ 169,350</u>		<u>\$ 169,350</u>

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation Refunding Bonds of 2013

December 31, 2018

---

---

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
2018	<u>\$ 2,000,000</u>	<u>\$ 80,000</u>	<u>\$ 2,080,000</u>	2019	<u>\$ 40,000</u>	2019	<u>\$ 40,000</u>

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Schedule of Long-Term Debt Requirements

#### General Obligation Bonds of 2014 December 31, 2018

---

---

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
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>\$ 2,295,000</u>	<u>\$ 94,650</u>	<u>\$ 2,389,650</u>		<u>\$ 47,325</u>		<u>\$ 47,325</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Bonds of 2016

December 31, 2018

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
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>\$ 32,235,000</u>	<u>\$ 11,640,200</u>	<u>\$ 43,875,200</u>		<u>\$ 5,820,100</u>		<u>\$ 5,820,100</u>

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Bonds of 2018

December 31, 2018

Date of Issue	September 11, 2018
Date of Maturity	December 1, 2038
Authorized Issue	\$9,530,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% - 5.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	UMB Bank, National Association, St. Louis 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
2018	\$ 240,000	\$ 450,878	\$ 690,878	2019	\$ 266,428	2019	\$ 184,450
2019	330,000	359,300	689,300	2020	179,650	2020	179,650
2020	345,000	346,100	691,100	2021	173,050	2021	173,050
2021	360,000	332,300	692,300	2022	166,150	2022	166,150
2022	375,000	317,900	692,900	2023	158,950	2023	158,950
2023	390,000	299,150	689,150	2024	149,575	2024	149,575
2024	410,000	279,650	689,650	2025	139,825	2025	139,825
2025	435,000	259,150	694,150	2026	129,575	2026	129,575
2026	455,000	237,400	692,400	2027	118,700	2027	118,700
2027	470,000	221,475	691,475	2028	110,738	2028	110,737
2028	485,000	205,025	690,025	2029	102,513	2029	102,512
2029	505,000	188,050	693,050	2030	94,025	2030	94,025
2030	520,000	170,375	690,375	2031	85,188	2031	85,187
2031	540,000	152,175	692,175	2032	76,088	2032	76,087
2032	560,000	133,275	693,275	2033	66,638	2033	66,637
2033	580,000	113,675	693,675	2034	56,838	2034	56,837
2034	600,000	93,375	693,375	2035	46,688	2035	46,687
2035	620,000	72,375	692,375	2036	36,188	2036	36,187
2036	645,000	49,125	694,125	2037	24,563	2037	24,562
2037	665,000	24,937	689,937	2038	12,469	2038	12,468
	<u>\$ 9,530,000</u>	<u>\$ 4,305,690</u>	<u>\$ 13,835,690</u>		<u>\$ 2,193,839</u>		<u>\$ 2,111,851</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, 2018 (Unaudited)

	4/30/2010	4/30/2011	4/30/2012	4/30/2013
Governmental Activities				
Net Investment in				
Capital Assets	\$ 111,371,613	\$ 113,491,072	\$ 116,954,018	\$ 121,113,330
Restricted	9,270,651	9,452,095	16,263,555	17,517,983
Unrestricted	40,570,428	44,485,939	41,494,128	44,224,002
Total Governmental				
Activities	161,212,692	167,429,106	174,711,701	182,855,315
Business-Type Activities				
Net Investment in				
Capital Assets	35,842,122	34,272,550	32,777,835	31,486,324
Unrestricted	23,450,192	22,632,902	22,739,490	23,159,732
Total Business-Type				
Activities	59,292,314	56,905,452	55,517,325	54,646,056
Primary Government				
Net Investment in				
Capital Assets	147,213,735	147,763,622	149,731,853	152,599,654
Restricted	9,270,651	9,452,095	16,263,555	17,517,983
Unrestricted	64,020,620	67,118,841	64,233,618	67,383,734
Total Primary				
Government	\$ 220,505,006	\$ 224,334,558	\$ 230,229,026	\$ 237,501,371

Data Source: Audited Financial Statements

4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
\$ 127,435,505	\$ 126,928,744	\$ 134,100,576	\$ 142,096,216	\$ 149,053,177	\$ 152,560,713
16,796,342	23,943,432	21,979,506	18,509,205	24,218,253	37,167,296
45,211,400	44,627,697	(41,302,760)	(39,209,690)	(44,770,477)	(68,422,029)
189,443,247	195,499,873	114,777,322	121,395,731	128,500,953	121,305,980
30,288,702	28,889,401	27,613,381	26,986,838	27,007,689	26,289,779
23,285,911	22,803,814	22,200,989	19,093,045	20,027,518	21,386,688
53,574,613	51,693,215	49,814,370	46,079,883	47,035,207	47,676,467
157,724,207	155,818,145	161,713,957	169,083,054	176,060,866	178,850,492
16,796,342	23,943,432	21,979,506	18,509,205	24,218,253	37,167,296
68,497,311	67,431,511	(19,101,771)	(20,116,645)	(24,742,959)	(47,035,341)
\$ 243,017,860	\$ 247,193,088	\$ 164,591,692	\$ 167,475,614	\$ 175,536,160	\$ 168,982,447



# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Changes in Net Position - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2018 (Unaudited)

	4/30/2010	4/30/2011	4/30/2012	4/30/2013
Expenses				
Governmental Activities				
General Government	\$ 7,563,734	\$ 5,193,600	\$ 6,257,562	\$ 5,373,174
Public Safety	39,868,746	40,266,562	41,805,406	43,129,040
Highways and Streets	17,504,839	17,159,903	17,923,609	19,692,580
Community Development	7,016,350	6,334,050	5,838,531	5,734,706
Health and Welfare	2,413,690	1,888,832	1,948,340	2,137,300
Interest on Long-Term Debt	3,037,995	2,583,611	2,514,126	1,896,757
Total Governmental Activities Expenses	77,405,354	73,426,558	76,287,574	77,963,557
Business-Type Activities				
Water and Sewer	14,305,939	15,251,729	14,914,914	15,722,016
Solid Waste Disposal	1,422,141	1,492,582	1,529,106	1,312,457
Arts, Entertainment & Events	440,953	475,793	819,933	511,705
Total Business-Type Activities Expenses	16,169,033	17,220,104	17,263,953	17,546,178
Total Primary Government Expenses	\$ 93,574,387	\$ 90,646,662	\$ 93,551,527	\$ 95,509,735
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	\$ 4,434,038	\$ 4,325,464	\$ 4,582,832	\$ 4,978,268
Public Safety	2,864,781	2,975,966	2,895,316	2,929,501
Highways and Streets	2,892,202	2,935,937	3,017,043	3,016,225
Community Development	976,909	816,738	901,216	1,681,786
Health and Welfare	56,974	51,551	42,754	44,896
Operating Grants and Contributions	2,809,350	2,826,571	2,638,083	2,953,559
Capital Grants and Contributions	108,675	866,648	574,058	1,821,768
Total Governmental Activities Program Revenues	14,142,929	14,798,875	14,651,302	17,426,003
Business-Type Activities				
Charges for Services				
Water and Sewer	11,908,829	12,730,188	12,960,678	14,344,566
Solid Waste Disposal	1,627,737	1,406,829	1,701,884	1,593,605
Art, Entertainment & Events	30,375	33,550	132,209	74,611
Total Business-Type Activities Program Revenues	13,566,941	14,170,567	14,794,771	16,012,782
Total Primary Government Program Revenues	\$ 27,709,870	\$ 28,969,442	\$ 29,446,073	\$ 33,438,785
Net Revenue (Expenses)				
Governmental Activities	\$ (63,262,425)	\$ (58,627,683)	\$ (61,636,272)	\$ (60,537,554)
Business-Type Activities	(2,602,092)	(3,049,537)	(2,469,182)	(1,533,396)
Total Primary Government Net Revenues (Expenses)	\$ (65,864,517)	\$ (61,677,220)	\$ (64,105,454)	\$ (62,070,950)

4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
\$ 5,194,272	\$ 6,959,759	\$ 5,640,281	\$ 3,445,379	\$ 5,608,591	\$ 13,489,797
43,866,734	44,806,959	42,999,869	48,437,685	46,568,027	48,323,843
23,532,913	22,995,777	11,731,508	20,548,648	19,554,637	19,351,823
2,642,799	2,288,259	2,951,484	7,143,680	8,003,031	2,312,172
5,337,880	5,878,038	4,396,910	3,130,134	4,031,072	7,010,034
1,563,358	1,532,740	888,689	2,097,362	1,971,409	1,881,323
82,137,956	84,461,532	68,608,741	84,802,888	85,736,767	92,368,992
15,537,127	16,252,073	12,744,878	21,138,874	18,016,038	18,246,576
1,230,310	1,274,638	961,329	1,117,379	1,283,229	1,468,304
698,518	991,928	570,146	752,236	876,108	820,253
17,465,955	18,518,639	14,276,353	23,008,489	20,175,375	20,535,133
\$ 99,603,911	\$ 102,980,171	\$ 82,885,094	\$ 107,811,377	\$ 105,912,142	\$ 112,904,125
\$ 4,337,694	\$ 4,129,774	\$ 3,105,322	\$ 4,637,586	\$ 4,356,699	\$ 4,649,160
3,050,316	3,072,951	2,088,265	2,979,377	2,963,757	3,760,239
3,253,819	3,213,901	2,322,624	3,218,925	3,885,739	5,238,289
31,751	43,722	22,680	1,592,920	1,575,254	16,692
1,375,624	1,474,210	1,055,370	22,905	21,214	1,479,730
2,787,401	4,662,077	1,834,378	-	2,605,115	2,757,894
1,501,300	133,187	-	2,464,157	875,699	297,950
16,337,905	16,729,822	10,428,639	14,915,870	16,283,477	18,199,954
14,232,051	14,125,562	10,323,750	17,256,513	18,858,921	18,967,266
1,575,908	1,759,911	1,310,604	1,676,467	1,946,842	1,892,921
149,351	54,851	85,288	130,121	126,166	131,426
15,957,310	15,940,324	11,719,642	19,063,101	20,931,929	20,991,613
\$ 32,295,215	\$ 32,670,146	\$ 22,148,281	\$ 33,978,971	\$ 37,215,406	\$ 39,191,567
\$ (65,800,051)	\$ (67,731,710)	\$ (58,180,102)	\$ (69,887,018)	\$ (69,453,290)	\$ (74,169,038)
(1,508,645)	(2,578,315)	(2,556,711)	(3,945,388)	756,554	456,480
\$ (67,308,696)	\$ (70,310,025)	\$ (60,736,813)	\$ (73,832,406)	\$ (68,696,736)	\$ (73,712,558)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Changes in Net Position - Last Ten Fiscal Years - Continued For the Fiscal Year Ended December 31, 2018 (Unaudited)

	4/30/2010	4/30/2011	4/30/2012	4/30/2013
General Revenues and Other				
Changes in Net Position				
Governmental Activities				
Taxes				
Property	\$ 29,321,029	\$ 28,710,137	\$ 30,715,129	\$ 30,390,556
Utility	917,319	4,051,320	5,265,951	5,568,711
Home Rule Sales	5,139,660	6,574,175	6,897,071	6,582,209
Food and Beverage	1,681,355	1,674,096	1,750,023	1,843,377
Hotel	893,169	814,905	885,190	959,547
Telecommunications	4,158,597	3,772,498	4,269,272	3,606,605
Foreign Fire Insurance	104,658	117,835	123,597	129,456
Other	46,465	52,554	40,782	57,439
Intergovernmental				
Sales	9,570,850	10,369,871	10,519,988	10,333,345
Use	915,224	1,103,427	1,101,284	1,190,737
Replacement	411,138	455,733	410,962	415,244
Shared Income Tax	6,111,105	5,998,989	6,135,155	6,768,141
Interest	581,468	351,656	217,990	201,421
Miscellaneous	1,018,158	746,901	886,473	634,380
Contributions	-	-	-	-
Transfers	300,000	50,000	(300,000)	-
Total Governmental Activities	61,170,195	64,844,097	68,918,867	68,681,168
Business-Type Activities				
Interest	116,958	58,387	27,741	23,362
Food and Beverage	419,219	420,102	433,045	460,424
Miscellaneous	152,713	234,186	320,267	178,341
Transfers	(300,000)	(50,000)	300,000	-
Total Business-Type Activities	388,890	662,675	1,081,053	662,127
Total Primary Government	\$ 61,559,085	\$ 65,506,772	\$ 69,999,920	\$ 69,343,295
Change in Net Position				
Governmental Activities	\$ 2,542,512	\$ 3,207,825	\$ 8,381,313	\$ 2,881,117
Business-Type Activities	(2,660,647)	(1,806,507)	(452,343)	(846,518)
Total Primary Government				
Change in Net Position	\$ (118,135)	\$ 1,401,318	\$ 7,928,970	\$ 2,034,599

Data Source: Audited Financial Statements

4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
\$ 30,637,670	\$ 31,550,695	\$ 31,960,632	\$ 33,774,122	\$ 35,031,674	\$ 36,975,524
5,805,227	5,499,718	2,827,748	5,195,181	4,988,209	5,417,711
7,033,558	7,310,625	5,097,810	6,999,693	6,667,772	7,155,629
1,881,211	2,003,859	1,437,299	1,944,185	1,970,860	2,076,857
968,827	1,032,228	777,052	1,096,755	1,043,795	1,078,944
3,244,472	3,199,974	2,037,305	3,116,898	2,586,731	2,437,145
146,650	134,186	137,450	129,877	131,628	129,452
313,140	320,071	286,444	335,157	297,053	304,679
11,488,156	12,060,996	8,423,387	12,377,718	12,064,683	12,927,772
1,340,067	1,520,258	1,147,270	1,807,251	2,027,665	2,027,665
466,766	454,992	283,613	430,829	464,689	422,905
7,318,303	7,354,986	5,254,518	7,310,634	6,897,965	7,192,128
285,637	246,993	121,491	435,523	828,070	1,616,187
1,458,299	1,098,755	837,890	1,051,604	1,057,718	2,006,603
-	-	-	-	-	-
-	-	-	500,000	500,000	479,988
72,387,983	73,788,336	60,629,909	76,505,427	76,558,512	82,249,189
22,143	20,818	9,806	21,865	41,816	93,529
470,918	498,638	367,339	649,046	656,954	692,286
(55,859)	177,461	300,721	39,990	-	499,882
-	-	-	(500,000)	(500,000)	(479,988)
437,202	696,917	677,866	210,901	198,770	805,709
\$ 72,825,185	\$ 74,485,253	\$ 61,307,775	\$ 76,716,328	\$ 76,757,282	\$ 83,054,898
\$ 4,656,273	\$ 6,056,626	\$ 2,449,807	\$ 6,618,409	\$ 7,105,222	\$ 8,080,151
(2,141,113)	(1,881,398)	(1,878,845)	(3,734,487)	955,324	1,262,189
\$ 2,515,160	\$ 4,175,228	\$ 570,962	\$ 2,883,922	\$ 8,060,546	\$ 9,342,340

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

## **Fund Balances of Governmental Funds - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2018 (Unaudited)**

	4/30/2010	4/30/2011	4/30/2012	4/30/2013
General Fund				
Reserved	\$ 204,484	\$ 20,005	\$ -	\$ -
Unreserved	17,415,479	20,207,484	-	-
Nonspendable	-	-	121,491	208,379
Unrestricted				
Assigned	-	-	600,699	592,930
Unassigned	-	-	22,321,417	22,380,114
Total General Fund	17,619,963	20,227,489	23,043,607	23,181,423
All Other Governmental Funds				
Reserved	9,274,651	9,459,952	-	-
Unreserved, Reported in:				
Special Revenues Funds	6,404,202	6,299,665	-	-
Capital Projects Funds	6,162,092	6,399,997	-	-
Nonspendable	-	-	-	257,979
Restricted	-	-	16,263,555	17,517,983
Unrestricted				
Assigned	-	-	8,191,945	10,156,751
Total All Other Governmental Funds	21,840,945	22,159,614	24,455,500	27,932,713
Total Governmental Funds	\$ 39,460,908	\$ 42,387,103	\$ 47,499,107	\$ 51,114,136

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

Data Source: Audited Financial Statements

4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
317,836	189,328	172,973	192,691	117,663	345,557
749,295	874,315	817,143	844,034	1,524,370	1,205,581
22,942,073	23,252,947	27,536,053	30,271,109	29,005,220	29,154,102
24,009,204	24,316,590	28,526,169	31,307,834	30,647,253	30,705,240
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
438,742	399,794	370,479	232,130	178,480	46,394
17,361,269	24,540,110	22,074,564	18,683,413	24,378,960	37,423,894
9,352,188	10,270,809	13,329,568	46,290,136	31,177,516	8,418,536
27,152,199	35,210,713	35,774,611	65,205,679	55,734,956	45,888,824
\$ 51,161,403	\$ 59,527,303	\$ 64,300,780	\$ 96,513,513	\$ 86,382,209	\$ 76,594,064

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2018 (Unaudited)

	4/30/2010	4/30/2011	4/30/2012	4/30/2013
<b>Revenues</b>				
Taxes	\$ 59,165,913	\$ 63,577,704	\$ 61,855,652	\$ 60,947,768
Intergovernmental	2,237,939	2,282,831	8,297,534	9,428,030
Grants/Contributions	784,744	1,528,222	1,173,358	1,447,303
Charges for Services	1,960,514	2,021,291	2,030,165	2,052,554
Licenses and Permits	3,644,510	3,373,772	3,618,724	4,289,920
Fines and Fees	5,410,109	5,530,326	5,595,692	6,051,687
Interest	581,474	351,658	217,990	201,421
Rents and Reimbursables	448,573	406,325	431,382	436,635
Miscellaneous	779,348	520,843	649,662	454,263
Total Revenues	75,013,124	79,592,972	83,870,159	85,309,581
<b>Expenditures</b>				
General Government	7,875,528	5,771,441	5,890,843	4,698,107
Public Safety	37,509,901	38,956,847	40,684,642	42,291,156
Highways and Streets	9,515,911	9,457,575	9,250,565	11,089,158
Community Development	5,593,968	5,214,087	5,073,806	5,129,100
Health and Welfare	2,344,242	1,880,681	1,861,099	2,153,765
Capital Outlay	8,241,071	7,106,267	7,053,543	8,358,862
Debt Service				
Principal Retirement	5,833,691	5,570,000	6,360,000	5,835,000
Interest and Fiscal Charges	3,035,994	2,580,096	2,199,945	1,739,404
Other Charges	-	36,426	147,895	-
Total Expenditures	79,950,306	76,573,420	78,522,338	81,294,552
Excess (Deficiency) of Revenue Over (Under) Expenditures	(4,937,182)	3,019,552	5,347,821	4,015,029
<b>Other Financing Sources (Uses)</b>				
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	4,620,097	1,693,003	2,982,025	5,775,747
Transfers Out	(3,020,097)	(1,643,003)	(3,582,025)	(6,175,747)
Disposal of Capital Assets	-	-	-	-
	3,734,232	90,643	(419,827)	(400,000)
Net Change in Fund Balance	\$ (1,202,950)	\$ 3,110,195	\$ 4,927,994	\$ 3,615,029
Debt Service as a Percentage of Noncapital Expenditures	11.09%	10.69%	11.09%	9.32%

Data Source: Audited Financial Statements

4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
\$ 49,884,105	\$ 50,917,170	\$ 44,424,290	\$ 52,461,991	\$ 52,586,094	\$ 55,446,489
20,686,642	21,621,147	15,246,238	22,252,920	24,022,799	22,424,922
4,288,701	4,699,535	1,834,378	2,267,546	985,445	3,055,844
5,284,463	5,230,607	3,758,085	5,192,297	5,909,847	8,127,866
5,989,935	5,862,746	4,317,478	6,529,300	6,211,862	6,382,208
755,196	804,726	500,620	710,352	664,035	625,309
218,686	182,615	88,530	355,443	689,104	1,312,157
-	-	-	-	-	-
1,477,909	1,135,234	855,968	1,071,368	1,074,637	2,015,330
88,585,637	90,453,780	71,025,587	90,841,217	92,143,823	99,390,125
4,277,526	4,636,827	3,219,631	4,680,170	4,471,299	4,552,993
43,012,679	44,609,076	33,515,656	46,071,577	46,398,789	50,975,181
12,460,690	13,140,609	8,854,213	13,114,009	12,623,702	13,500,715
2,600,895	2,268,019	1,577,298	5,955,261	7,974,896	2,186,836
5,382,571	5,469,806	3,951,512	2,331,430	2,280,772	6,610,045
11,467,725	12,133,539	7,277,852	14,224,083	19,935,951	34,512,902
6,160,000	6,475,000	6,455,000	5,215,000	4,995,000	5,240,000
1,624,978	1,442,549	1,400,954	2,459,907	2,094,718	2,078,904
-	-	-	-	-	-
86,987,064	90,175,425	66,252,116	94,051,437	100,775,127	119,657,576
1,598,573	278,355	4,773,471	(3,210,220)	(8,631,304)	(20,267,451)
7,755,000	7,625,000	-	32,900,000	-	9,530,000
862,170	460,605	-	2,022,953	-	469,318
(8,568,476)	-	-	-	-	-
3,613,688	9,444,113	6,755,513	915,000	6,898,372	1,711,000
(5,213,688)	(9,444,113)	(6,755,513)	(415,000)	(8,398,372)	(1,231,012)
-	1,940	-	-	-	-
(1,551,306)	8,087,545	-	35,422,953	(1,500,000)	10,479,306
\$ 47,267	\$ 8,365,900	\$ 4,773,471	\$ 32,212,733	\$ (10,131,304)	\$ (9,788,145)
9.15%	9.15%	12.58%	8.81%	8.09%	7.93%



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**Police Pension Fund Tax Levies and Contributions - Last Ten Tax Levy Years  
For the Fiscal Year Ended December 31, 2018 (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
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
2017	4,016,824	3,879,000	97%	3,879,000	12/31/2019

\*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, 2018 (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
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
2017	4,952,007	4,853,000	98%	4,853,000	12/31/2019

\*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, 2018 (Unaudited)

Tax Levy Year	Residential Property
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
2017	2,165,564,338

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
\$ 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
654,570,030	125,103,734	1,289,820	2,946,527,922	1.696	8,839,583,766

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years\* For the Fiscal Year Ended December 31, 2018 (Unaudited)

	2008	2009	2010	2011
Village Direct Rates				
Village of Arlington Heights	0.722	0.755	0.866	0.955
Arlington Heights Memorial Library	0.350	0.353	0.388	0.430
Total Village Direct Rates	1.072	1.108	1.254	1.385
Overlapping Rates				
County (includes Forest Preserve)	0.466	0.443	0.423	0.520
Metro Reclamation District	0.252	0.261	0.274	0.320
School District #25	2.807	2.510	2.813	3.101
School District #214	1.587	1.636	1.839	2.067
School District #512	0.256	0.258	0.295	0.334
Park District's	0.379	0.392	0.450	0.496
Wheeling Township	0.038	0.039	0.043	0.048
Other	0.029	0.050	0.079	0.059
Total Overlapping Rates	5.814	5.589	6.216	6.945
Total Tax Rate Per \$100 of EAV	6.886	6.697	7.470	8.330

Data Source: Cook County Tax Extension Office

\* Tax Rates per \$100 of EAV

2012	2013	2014	2015	2016	2017
1.062	1.270	1.269	1.359	1.182	1.217
0.470	0.548	0.547	0.566	0.483	0.479
1.532	1.818	1.816	1.925	1.665	1.696
0.594	0.660	0.637	0.621	0.596	0.558
0.370	0.417	0.430	0.426	0.406	0.402
3.416	3.659	3.678	3.990	3.424	3.488
2.324	2.768	2.776	2.881	2.527	2.563
0.373	0.444	0.451	0.466	0.419	0.425
0.545	0.633	0.636	0.626	0.488	0.494
0.052	0.056	0.052	0.055	0.041	0.043
0.036	0.042	0.042	0.041	0.032	0.034
7.710	8.679	8.702	9.106	7.933	8.007
9.242	10.497	10.518	11.031	9.598	9.703

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago For the Fiscal Year Ended December 31, 2018 (Unaudited)

Taxpayer	2018			2010		
	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	1.48%	\$ 51,675,300	1	1.43%
New Plan Excel Realty Trust	33,116,832	2	1.12%			
Arlington International Racecourse	32,789,550	3	1.11%	46,156,796	2	1.27%
Robert Rohrman	22,659,201	4	0.77%			
Town & Country Mall	21,285,312	5	0.72%	31,810,492	4	0.88%
Northpoint Mall	19,849,686	6	0.67%	21,449,785	5	0.87%
Marriott	18,815,163	7	0.64%	29,721,201	6	0.82%
Stonebridge Real Estate	14,415,897	8	0.49%			
200 Arlington Place	13,854,447	9	0.47%			
Tanglewood Apartments	13,767,570	10	0.47%	22,979,761	9	0.63%
Motorola, Inc				45,593,335	3	1.26%
Hamilton Partners				29,568,767	7	0.82%
Arlington Park Sheridan				23,377,991	8	0.65%
Avalon Bay Communities				16,956,576	10	0.47%
	<u>\$ 234,261,063</u>		<u>7.95%</u>	<u>\$ 319,290,004</u>		<u>9.09%</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, 2018 (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
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%
2017	35,851,768	35,067,225	97.81%	-	35,067,225	97.81%

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, 2018 (Unaudited)

Fiscal Year	Governmental Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds			
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
12/31/2018	65,182,632	65,182,632	2.15%	867.93

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, 2018 (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)
4/30/2010	\$ 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
12/31/2018	65,182,632	1,940,429	-	63,242,203	0.72%	842.10

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, 2018 (Unaudited)

Governmental Unit	Gross Debt	(1) Percentage Debt Applicable to Village	Village's Share of Debt
Village of Arlington Heights	\$ 65,182,632	100.00%	\$ 65,182,632
Community College District 512	126,895,000	16.655%	21,134,362
Arlington Heights School District 25	47,360,000	96.705%	45,799,488
Cook County School District 15	44,000,680	3.115%	1,370,621
Cook County School District 21	30,255,000	23.545%	7,123,540
Cook County School District 57	7,860,000	3.840%	301,824
Cook County School District 59	12,385,000	13.692%	1,695,754
Prospect Heights School District 23	7,540,000	35.611%	2,685,069
Palatine Township High School District 211	-	0.496%	-
Arlington Heights School District 214	37,480,000	33.518%	12,562,546
Cook County	2,950,121,750	1.954%	57,645,379
Forest Preserve of Cook County	151,010,000	1.954%	2,950,735
Metropolitan Water Reclamation District of Greater Chicago	2,697,667,000	1.992%	53,737,527
Arlington Heights Park District	24,740,000	96.973%	23,991,120
Buffalo Grove Park District	16,605,000	13.610%	2,259,941
Prospect Heights Park District	7,580,305	5.447%	412,899
Mount Prospect Park District	20,923,888	2.860%	598,423
Palatine Park District	23,075,000	1.049%	242,057
Salt Creek Park District	2,627,000	34.941%	917,900
Total Overlapping Debt	6,208,125,623		235,429,186
Total Direct and Overlapping Debt	\$ 6,273,308,255		\$ 300,611,818

(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, 2018 (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, 2018 (Unaudited)**

Fiscal Year	Water		
	Water Charges and Other	Less Operating Expenses	Net Available Revenue
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
12/31/2018	19,377,436	16,976,949	2,400,487

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						
\$	-	\$	-	\$	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, 2018 (Unaudited)

Fiscal Year	(1) Population	(1) Personal Income	(1) Per Capita Personal Income	(2) Unemployment Rate
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%
12/31/2018	75,101	3,024,842,977	40,277	3.90%

#### 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, 2018 (Unaudited)

Employer	2018			2010		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Arlington International Racecourse (Seasonal)	4,500	1	10.39%	4,500	1	11.29%
Northwest Community Healthcare	3,600	2	8.31%	4,000	2	10.04%
Arlington Heights High School District #214	1,700	3	3.93%	2,000	4	5.02%
HSBC	1,500	4	3.46%			
Lutheran Home	800	5	1.85%	598	6	1.50%
Paddock Publications	500	6	1.15%	1,703	5	4.27%
Alexian Brothers Health System	500	7	1.15%	500	7	1.25%
Clearbrook	450	8	1.04%			
Kroeschell Inc	450	9	1.04%	450	9	1.13%
Village of Arlington Heights	450	10	1.04%	463	8	1.16%
Broadway Communications Corporation				2,000	3	5.02%
Sheraton Chicago Northwest & Coco Key				300	10	0.75%
	<u>14,450</u>		<u>33.37%</u>	<u>16,514</u>		<u>41.43%</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, 2018 (Unaudited)

Function/Program	4/30/2010	4/30/2011	4/30/2012
General Government			
Manager's Office	6.50	6.00	6.00
Human Resources	4.50	4.00	4.00
Legal	3.25	2.75	2.75
Finance	17.50	16.50	17.50
Village Clerk	1.50	1.50	-
IT	6.00	6.00	5.00
GIS	1.00	1.00	1.00
Buildings and Grounds	7.00	7.00	7.00
Public Safety			
Police			
Officers	114.00	109.00	109.00
Civilian	34.00	31.00	30.00
Fire			
Firefighters and Officers	111.00	108.00	108.00
Civilian	2.50	2.50	2.50
Community Development			
Planning and Community Development	11.25	9.00	9.00
Building	18.50	17.50	16.00
Engineering	12.00	10.00	10.00
Health and Welfare			
Health Services	11.00	10.00	9.50
Youth Services	3.50	-	-
Senior Services	3.75	3.75	3.75
Highways and Streets			
Public Works	42.25	37.25	35.25
Other Public Works			
Water Utility Operations	41.25	41.25	40.25
Fleet Services	10.50	10.50	10.50
Totals	471.75	462.75	434.50

Data Source: Village Budget

4/30/2013	4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
6.00	6.00	5.00	5.00	5.00	5.50	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	18.00	18.00	17.50	17.50	17.50
-	-	-	-	-	-	-
5.00	5.00	5.00	5.00	5.00	6.00	5.00
1.00	1.00	1.00	1.00	1.00	-	-
-	-	-	-	-	-	-
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	2.00	2.00	2.00
9.00	9.00	9.00	9.00	10.00	10.00	10.00
16.00	16.00	16.50	16.50	17.00	17.00	17.50
10.00	10.00	10.00	10.00	10.00	10.00	10.00
9.50	9.50	9.50	9.50	10.00	10.00	9.50
-	-	-	-	-	-	-
3.50	3.50	3.50	3.50	3.50	3.50	3.50
42.25	42.25	42.25	42.25	42.25	42.25	41.25
40.75	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
427.00	427.25	427.25	427.25	428.25	428.75	426.75

## VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

### Operating Indicators by Function/Program - Last Ten Fiscal Years For the Fiscal Year Ended December 31, 2018 (Unaudited)

Function/Program	4/30/2010	4/30/2011	4/30/2012
Public Safety			
Police			
Service Calls	26,221	26,211	25,425
Total Crime Reported	3,694	3,815	3,232
Arrests	1,309	1,171	1,089
Citations Issued	24,593	26,443	28,956
Fire			
Service Calls (EMS)	6,387	6,718	6,688
Service Calls (Non-EMS)	3,201	3,576	3,349
Public Works			
Snow Removal (Miles)	53,418	53,188	51,795
Streets Resurfaced (Miles)	8.52	8.40	9.54
Water			
Water Main Breaks	284	247	363
Sewer Repairs	16	26	13
Average Daily Consumption	8.70 MGD	8.70 MGD	8.70 MGD

Data Source: Various Village Departments

MGD - Millions Gallons Daily

4/30/2013	4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
11,569	23,678	24,148	16,527	25,919	32,732	22,875
1,111	2,270	2,196	2,019	2,559	2,189	1,937
1,006	1,073	921	558	824	657	592
15,918	27,584	29,795	19,000	27,935	24,944	23,306
3,283	6,667	6,779	4,648	7,581	7,369	7,515
1,559	3,266	3,286	2,101	2,620	2,676	2,814
24,843	91,651	52,072	14,727	51,044	18,541	60,762
1.60	8.10	8.10	7.45	7.08	5.80	6.00
100	244	157	228	228	240	244
5	28	32	60	20	13	12
8.70 MGD	8.70 MGD	8.20 MGD	7.58 MGD	7.51 MGD	7.41 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, 2018 (Unaudited)**

Function/Program	4/30/2010	4/30/2011	4/30/2012	4/30/2013
Public Safety				
Police				
Police Stations	1	1	1	1
Marked Police Vehicles	49	45	45	44
Unmarked Police Vehicles	14	13	17	17
Police Motorcycles	4	4	4	4
Fire				
Fire Stations	4	4	4	4
Fire Pumpers	6	6	6	6
Fire Ladder Trucks	2	2	2	2
Rescue Squads	3	4	4	4
Ambulances	6	6	6	6
Utility Vehicles	-	-	1	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	11	9	9	9
Public Works				
Streets (Miles)	229	230	230	230
Streetlights	3,207	3,212	3,212	3,212
Traffic Signals	9,784	9,784	9,784	9,784
Water				
Water Mains (Miles)	252	253	253	253
Fire Hydrants	2,732	2,740	2,740	2,740
Storage Capacity (Gallons)	31,000,000	31,000,000	31,000,000	31,000,000
Wastewater				
Sanitary Sewers (Miles)	226	227	227	227
Storm Sewers (Miles)	162	163	163	163

Data Source: Various Village Departments

430/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018
1	1	1	1	1	1
44	44	44	44	44	33
17	17	18	19	19	29
4	4	4	4	4	4
4	4	4	4	4	4
6	6	5	5	5	5
2	2	2	2	2	2
4	4	5	4	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
7	7	8	8	8	8
230	230	230	241	241	241
3,212	3,865	3,865	3,865	3,865	3,865
9,784	9,784	9,784	9,784	9,784	9,784
253	260	260	260	260	260
2,740	3,318	3,318	3,318	3,329	3,329
31,000,000	32,000,000	31,000,000	31,000,000	31,000,000	31,000,000
227	255	255	255	261	255
163	213	213	213	228	213