

**VILLAGE OF  
ARLINGTON HEIGHTS, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
December 31, 2019



**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 Year Ended  
December 31, 2019

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**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Principal Officials .....	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal from the Village Manager and Director of Finance .....	iv-vii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-3
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	4-5
Statement of Activities .....	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	8
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	11

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

---

	<u>Page(s)</u>
<b>FINANCIAL SECTION (Continued)</b>	
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)</b>	
Basic Financial Statements (Continued)	
Fund Financial Statements (Continued)	
Proprietary Funds	
Statement of Net Position .....	12-13
Statement of Revenues, Expenses, and Changes in Net Position.....	14
Statement of Cash Flows .....	15-16
Fiduciary Funds	
Statement of Fiduciary Net Position.....	17
Statement of Changes in Fiduciary Net Position.....	18
Notes to Financial Statements .....	19-74
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	75
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	76
Police Pension Fund .....	77
Firefighters' Pension Fund .....	78
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Police Pension Fund .....	79
Firefighters' Pension Fund .....	80
Illinois Municipal Retirement Fund .....	81
Schedule of the Village's Proportionate Share of the Net Pension Liability Illinois Municipal Retirement Fund .....	82
Schedule of Changes in the Employer's Total OPEB Benefit Liability and Related Ratios	
Other Postemployment Benefits Plan.....	83
Schedule of Investment Returns	
Police Pension Fund .....	84
Firefighters' Pension Fund .....	85
Notes to Required Supplementary Information .....	86-87

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

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**MAJOR GOVERNMENTAL FUNDS**

General Fund	
Balance Sheet .....	88
Schedule of Revenues - Budget and Actual .....	89-91
Schedule of Expenditures - Budget and Actual.....	92
Schedule of Detailed Expenditures - Budget and Actual .....	93-95
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Debt Service Fund .....	96
Capital Projects Fund .....	97

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet - Nonmajor Governmental Funds .....	98-99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	100-101
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	102
Community Development Block Grant Fund.....	103
Affordable Housing Fund.....	104
Zero Interest Loan Fund .....	105
Foreign Fire Insurance Fund .....	106
Criminal Investigations Fund .....	107
Municipal Parking Operations Fund .....	108
TIF IV Fund.....	109
TIF V Fund .....	110
Hickory Kensington TIF Fund .....	111
Stormwater Control Fund .....	112
Public Building Fund.....	113

**PROPRIETARY FUNDS**

Water and Sewerage Fund	
Statement of Net Position .....	114-115
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual .....	116
Schedule of Operating Expenses - Budget and Actual.....	117-119

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

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)**

**NONMAJOR ENTERPRISE FUNDS**

Combining Statement of Net Position.....	120
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	121
Combining Statement of Cash Flows.....	122-123
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual -	
Solid Waste Disposal Fund .....	124
Arts, Entertainment, and Events Fund.....	125

**INTERNAL SERVICE FUNDS**

Combining Statement of Net Position.....	126-127
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	128-129
Combining Statement of Cash Flows.....	130-131
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual -	
Health and Life Insurance Fund .....	132
General Liability Insurance Fund .....	133
Workers' Compensation Fund.....	134
Fleet Operations Fund .....	135
Technology Fund.....	136

**FIDUCIARY FUNDS**

**PENSION TRUST FUNDS**

Combining Statement of Fiduciary Net Position .....	137
Combining Statement of Changes in Fiduciary Net Position .....	138
Schedule of Changes in Fiduciary Net Position - Budget and Actual -	
Police Pension Fund .....	139
Firefighters' Pension Fund .....	140

**CONSOLIDATED YEAR END FINANCIAL REPORT**

Consolidated Year End Financial Report.....	141
---	-----

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

---

Page(s)

**FINANCIAL SECTION (Continued)**

**SUPPLEMENTAL INFORMATION**

Schedule of Long-Term Debt Requirements

General Obligation Refunding Bonds, Series 2010 .....	142
General Obligation Refunding Bonds, Series 2012A .....	143
General Obligation Bonds, Series 2014 .....	144
General Obligation Bonds, Series 2016 .....	145
General Obligation Bonds, Series 2018 .....	146
General Obligation Refunding Bonds, Series 2019 .....	147

**STATISTICAL SECTION**

Financial Trends

Net Position by Component .....	148-149
Change in Net Position.....	150-153
Fund Balances of Governmental Funds .....	154-155
Changes in Fund Balances of Governmental Funds .....	156-157

Revenue Capacity

Assessed Value and Actual Value of Taxable Property .....	158
Direct and Overlapping Property Tax Rates .....	159
Principal Property Taxpayers .....	160
Property Tax Levies and Collections .....	161

Debt Capacity

Ratios of Outstanding Debt by Type.....	162
Ratios of General Bonded Debt Outstanding.....	163
Direct and Overlapping Governmental Activities Debt.....	164
Legal Debt Margin .....	165
Pledged Revenue Coverage.....	166

Demographic and Economic Information

Demographic and Economic Information.....	167
Principal Employers .....	168
Full-Time Equivalent Employees .....	169

Operating Information

Operating Indicators .....	170
Capital Asset Statistics .....	171

## **INTRODUCTORY SECTION**



VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL OFFICERS

DECEMBER 31, 2019

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**VILLAGE BOARD**

Thomas W. Hayes, Village President

Richard Baldino

Bert Rosenberg

Mary Beth Canty

John Scaletta

Robin La Bedz

Tom Schwingbeck, Jr.

Greg Padovani

Jim Tinaglia

**ADMINISTRATION**

Village Manager, Randy Recklaus

Village Attorney..... Mark Burkland

Village Clerk..... Rebecca Hume

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

Human Resources Manager ..... Mary Rath

Assistant Village Attorney (General Counsel) ..... Robin Ward

Finance Director/Treasurer ..... Thomas F. Kuehne

Chief of Police ..... Nicholas Pecora

Fire Chief ..... Andrew Larson

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

Director of Building Services ..... Steven Toulomis

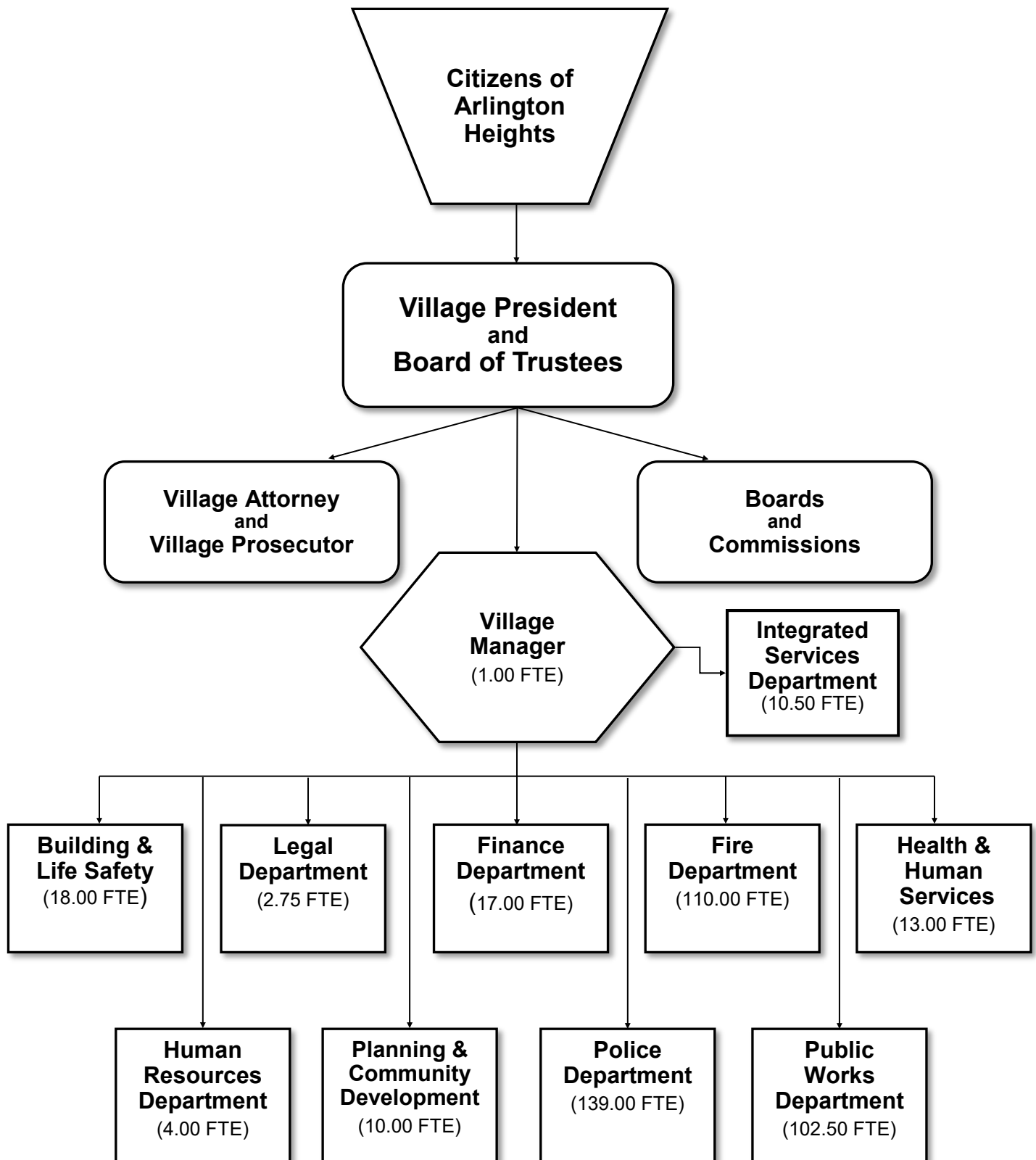
Director of Health and Human Services ..... James McCalister

Public Works Director ..... Scott Shirley

# **VILLAGE OF ARLINGTON HEIGHTS**

**(427.75 FTE)**

## **ORGANIZATION STRUCTURE**





Government Finance Officers Association

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

Presented to

**Village of Arlington Heights  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morrell*

Executive Director/CEO



## 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)

June 8, 2020

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, 2019, is hereby submitted as required by the Illinois Compiled Statutes. State law requires that the Village issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Arlington Heights. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Arlington Heights' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Arlington Heights for the year ended December 31, 2019, 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, 2019, 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.

### **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 39.4% 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. Regrettably, the economic downturn from the global recession caused by the coronavirus pandemic could be especially severe and lengthy and the recovery could be long-lasting. This economic disruption from a health crisis will prove to be exceptionally challenging on the Village's fund balances, therefore the Village will continue to look at ways to maintain a stable financial position for 2020 and future years.

The potential for the Village's continued ongoing economic strength is demonstrated by new businesses that have opened 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, 2019; 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 \$8.6 million was spent on the ongoing street resurfacing and street reconstruction programs.
- \$5.3 million was spent on water and sewer rehabilitation and replacement projects.
- Other significant capital expenses included:
  - \$1,410,124 toward the replacement of Village vehicles;
  - \$8,252,797 on storm water control improvements;
  - \$142,000 for municipal parking lot improvements;

### **Relevant Financial Policies**

During 2019, while still maintaining a healthy surplus, the General Fund transferred surplus funds to the Capital Projects Fund to help cover future capital projects. 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.

Implementation of a new "Passport" daily parking fee mobile payment application and parking improvements to the Downtown parking garage.

Completed a Five-Year Water & Sewer Fund infrastructure funding plan.

The Village hired an ERP consultant to help analyze the Village's digital needs, to develop an ERP software request for proposal, and to help manage the implementation of the new software.

### **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, 2018. This was the thirtieth 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.

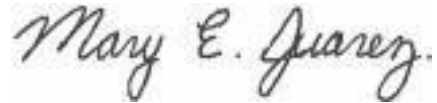
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

Handwritten signature of Thomas F. Kuehne in black ink.

Thomas F. Kuehne  
Finance Director/Treasurer

Handwritten signature of Mary E. Juarez in black ink.

Mary E. Juarez  
Assistant Finance Director

## **FINANCIAL SECTION**



1415 West Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village), as of and for the year ended December 31, 2019, 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 did not audit the financial statements of the Northwest Water Commission (NWWC), which represent 30.73%, 34.29%, and 3.53% of the assets, net position, and revenues of the business-type activities, respectively. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village's investment in joint venture, is based on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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, each major fund and the aggregate remaining fund information of the Village of Arlington Heights, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

The Village adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, which established standards for measuring and recognizing liabilities, deferred outflows of resources, and expenses for asset retirement obligations; and modified certain disclosures in the notes to financial statements. The Village also adopted GASB Statement No. 84, *Fiduciary Activities*, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to these matters.

As noted in Note 16, the reporting entity was modified to remove the Arlington Heights Memorial Library as the Library is not considered to meet the definition of a discretely presented component unit of the Village in accordance with GASB Statement No. 61.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining

and individual fund financial statements and schedules, supplemental data, 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 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other auditors have previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village as of and for the year ended December 31, 2018, and expressed unmodified opinions on those basic financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The 2018 comparative information included on certain combining and individual financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2020, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
June 8, 2020

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

**December 31, 2019**

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

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on Page iii) and the Village's financial statements (beginning on Page 4).

### **Financial Highlights**

- The Village's total net position increased by \$14.5 million or 8.6% during the calendar year ending December 31, 2019. The governmental net position increased by 12.6 million and the business-type activities net position increased by \$1.9 million.
- The Village's combined Governmental Funds ending fund balance decreased by \$2.2 million.
- At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$30,593,029 or 40.5% of General Fund expenditures.

### **USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government to government) and enhance the Village's accountability.

### **Government-Wide Financial Statements**

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

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

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

(See independent auditor's report.)

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

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### **Fund Financial Statements**

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

#### *Governmental Funds*

The Governmental Major Fund presentation (see Pages 8-11) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clean and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Village maintains 16 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service and Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

#### *Proprietary Funds*

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

Proprietary Fund Financial Statements (see Pages 12-16) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water & Sewer Fund is considered a major fund of the Village and is presented in a separate column in the Proprietary Fund Financial Statements. The Solid Waste Disposal Fund is the Village's only non-major enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Funds is presented elsewhere in the report.

#### *Fiduciary Funds*

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

While the Business-type Activities column on the Proprietary Fund Financial Statements is the same as the Business-type column at the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see Pages 9 and 11). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements). The reconciliation also includes the Internal Service Funds' activities given that the Internal Service Funds serve primarily the Governmental Funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 19-72 of this report.

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Pages 73-85 of this report. The combining and individual fund statements for the governmental, enterprise and internal service funds are presented on Pages 86-145 of this report, immediately following the required supplementary information.

### Infrastructure Assets

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

## GOVERNMENT-WIDE STATEMENTS

### Statement of Net Position

The Village's combined net position increased by \$14.5 million from 2018, increasing from \$169.0 million to \$183.5 million. The largest portion of the Village's net position (\$178.3 million) reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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 \$12.6 million from \$121.3 million to \$133.9 million. The business-type activities net position increased by \$1.9 million from \$47.7 million to \$49.6 million. Table 1 reflects the condensed Statement of Net Position compared to 2018. 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, 2019 (In Millions)**

	Governmental		Activities		Business-Type Activities		Total Primary Government	
	2019		2018		2019	2018	2019	2018
<b>Assets</b>								
Current & Other Assets	\$ 153.2	\$	152.2	\$	25.3	\$ 26.4	\$ 178.5	\$ 178.6
Capital Assets	211.5		205.9		29.8	26.3	241.3	232.2
<b>Total Assets</b>	<b>364.7</b>		<b>358.1</b>		<b>55.1</b>	<b>52.7</b>	<b>419.8</b>	<b>410.8</b>
Deferred Outflows of Resources	11.4		28.7		2.0	2.7	13.4	31.4
<b>Liabilities</b>								
Current Liabilities	17.8		22.3		1.3	1.1	19.1	23.4
Long-Term Liabilities	159.5		193.0		4.7	6.1	164.2	199.1
<b>Total Liabilities</b>	<b>177.3</b>		<b>215.3</b>		<b>6.0</b>	<b>7.2</b>	<b>183.3</b>	<b>222.5</b>
Deferred Inflows of Resources	64.9		50.2		1.5	0.5	66.4	50.7
<b>Net Position</b>								
Net Investment in Capital Assets	148.5		152.5		29.8	26.3	178.3	178.8
Restricted	35.2		37.2		0.0	0.0	35.2	37.2
Unrestricted	(49.8)		(68.4)		19.8	21.4	(30.0)	(47.0)
<b>Total Net Position</b>	<b>\$ 133.9</b>	<b>\$</b>	<b>121.3</b>	<b>\$</b>	<b>49.6</b>	<b>\$ 47.7</b>	<b>\$ 183.5</b>	<b>\$ 169.0</b>

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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### Normal Impacts on Net Position

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

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

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

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

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

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

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

### Current Year Impacts on Net Position

The Village's \$14.5 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$12.6 million and the business-type activities net position increasing \$1.9 million. The governmental activities total assets and deferred outflow of resources decreased by \$10.7 million and the governmental activities total liabilities and deferred inflows of resources decreased by \$23.3 million.

The governmental activities total assets increase of \$6.6 million is due to a \$1 million increase in current assets and a \$5.6 million increase in capital assets. The governmental activities current assets increase is mainly from the increase of Grant Receivables and Accrued Interest, which was offset by the decrease of the Cash position from the combined Governmental Funds. The \$5.6 million decrease in capital assets was mainly from the current year infrastructure additions related to Stormwater.

The large decrease in total liabilities of \$23.3 million is mainly attributable to Noncurrent Liabilities. Net Pension Liabilities were \$38 million under the prior year due to the increased amount of Net Investment Income received for the year. This amount was offset by the increase in the total OPEB liability. In addition, Accounts Payable decreased \$2.6 million mainly due to the Public Building Fund but was offset by an increase in the General Fund, Capital and Stormwater Control funds accruals for operating and capital expenditures.

The Village's other post-employment benefits (OPEB) obligation decreased by \$4.1 million due to the Village implementing a retiree carve-out plan for retirees age 65 and older in 2019. Retirees and their dependents who are 65 or older and Medicare eligible, are no longer included in the Village's medical and prescription plan which thereby decreases the OPEB liability. As required by 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. 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 65. Under the Village's current benefit package, retirees up to the age of 64 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 under 64 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.

(See independent auditor's report.)



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

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Deferred inflows of resources include the 2018 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, 2019, 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, 2020, 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 \$3 million from \$52.7 million to \$55.7 million. This was mainly due to the increase from the Investment in Joint Venture with the Northwest Water Commission of \$800,000 along with the increase of \$4.5 million of new Infrastructure from additional Storm Sewers. These additions were offset by the yearly decrease of capital assets due to the depreciation on existing water and sewer buildings and infrastructure, along with the decrease in the cash position of the Water and Sewer fund from the increase of Operating Expenses.

Total liabilities of business-type activities decreased \$1.2 million mainly from a decrease in the IMRF Net Pension Liability of 2.6 million, which was affected from the increased amount of Net Investment Income received for the year. This liability decrease was offset by the increase in Accounts Payable in the Water and Sewer Fund of \$400,000 and the \$1 million additional long-term liability that was required by the Governmental Accounting Standards Board (GASB) Statement No. 83 this year, which requires the Village to recognize the full liability associated with the retirement of a tangible capital asset, which applies to Water Wells in the Water and Sewer Fund.

(See independent auditor's report.)

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

**Changes in Net Position**

The Village's combined change in net position increased by \$7.9 million from a \$169.0 million to \$176.9 million in 2019. The Village's total revenue (net of transfers) increased by \$5.7 million. The Village's cost of all programs increased by \$1.1 million. The following table shows the condensed revenues and expenses of the Village's activities:

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>						
Program Revenues						
Charges for Services	\$ 13.8	\$ 15.1	\$ 21.4	\$ 21.0	\$ 35.2	\$ 36.1
Operating Grants	3.3	2.8	0.0	0.0	3.3	2.8
Capital Grants	2.0	0.3	0.0	0.0	2.0	0.3
General Revenues						
Property Taxes & Replacement Taxes	38.4	37.4	0.0	0.0	38.4	37.4
Other Taxes	41.6	40.7	0.0	0.7	41.6	41.4
Other Revenue	3.3	2.5	1.3	0.1	4.6	2.6
<b>Total Revenues</b>	<b>\$ 102.4</b>	<b>\$ 98.8</b>	<b>\$ 22.7</b>	<b>\$ 21.8</b>	<b>\$ 125.1</b>	<b>\$ 120.6</b>
<b>Expenses</b>						
Governmental Activities						
General Government	5.3	13.0	0.0	0.0	5.3	13.0
Public Safety	49.9	48.3	0.0	0.0	49.9	48.3
Highways & Streets	25.0	18.7	0.0	0.0	25.0	18.7
Community Development	5.2	7.0	0.0	0.0	5.2	7.0
Health & Welfare	2.4	2.3	0.0	0.0	2.4	2.3
Interest	2.4	1.9	0.0	0.0	2.4	1.9
Business Type						
Water & Sewer	0.0	0.0	17.9	18.2	17.9	18.2
Solid Waste Disposal	0.0	0.0	1.6	1.0	1.6	1.0
Arts, Ent. & Events	0.0	0.0	0.9	0.8	0.9	0.8
<b>Total Expenses</b>	<b>\$ 90.2</b>	<b>\$ 91.2</b>	<b>\$ 20.4</b>	<b>\$ 20.0</b>	<b>\$ 110.6</b>	<b>\$ 111.2</b>
<b>Change in Net Position Before Transfers</b>	<b>\$ 12.2</b>	<b>\$ 7.6</b>	<b>\$ 2.3</b>	<b>\$ 1.8</b>	<b>\$ 14.5</b>	<b>\$ 9.4</b>
<b>Transfers</b>	<b>\$ 0.4</b>	<b>\$ 0.5</b>	<b>\$ (0.4)</b>	<b>\$ (0.5)</b>	<b>\$ -</b>	<b>\$ -</b>
Change in Net Position	12.6	8.1	1.9	1.3	14.5	9.4
Beginning Net Position - As Restated	121.3	113.2	47.7	46.4	169.0	159.6
<b>Ending Net Position</b>	<b>\$ 133.9</b>	<b>\$ 121.3</b>	<b>\$ 49.6</b>	<b>\$ 47.7</b>	<b>\$ 183.5</b>	<b>\$ 169.0</b>

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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### Normal Impacts on Revenues and Expenses

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

#### Revenues:

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

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

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

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

#### Expenses:

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

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

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

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

(See independent auditor’s report.)

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

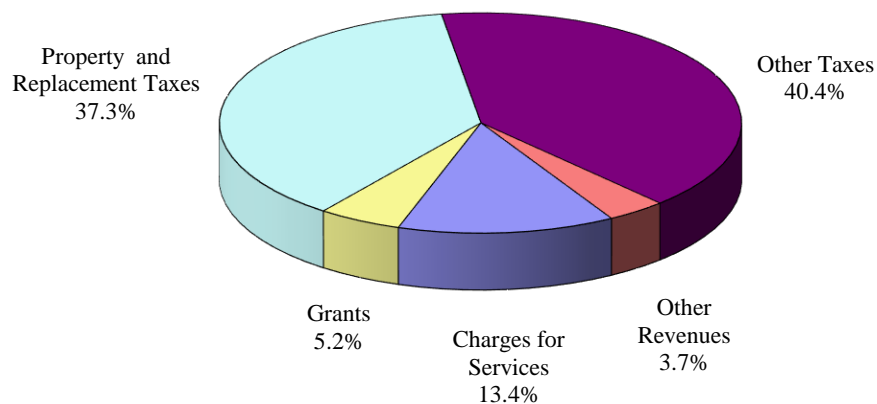
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**Current Year Impacts**

**Governmental Activities**

**Revenues:**

**12/31/19 Governmental Activities  
Revenues by Source**



For the fiscal year ended December 31, 2019, revenues from Governmental Activities totaled \$102.4 million, which was \$3.6 million more than the prior year total. During the fiscal year property taxes and replacement taxes continued to be one of the Village's largest revenue categories coming in at \$38.4 million and representing 37.3% of total Government Activity revenue. This includes property tax increment revenue generated by the Village's tax increment financing (TIF) districts, which brought in \$1.8 million during the calendar year. Property tax receipts increased about \$900,000 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 \$41.6 million representing 40.4% of the total Governmental Activity revenue. Village sales tax receipts increased by about \$500,000. Income tax receipts came in higher than last year due to a strong economy in 2019, increasing by about \$801,600. Telecommunication tax receipts decreased by about \$100,000 or 3% from more residents that have decreased the use of land lines. Electric and natural gas utility tax receipts increased by about \$197,000.

Charges for Services came in at \$13.8 million or 13.4% of total Government Activity revenue. These revenues include Building Permits, Engineering Services charges, Vehicle Licenses, 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 \$800,000 due in large part to permit and engineering service fees associated with the Arlington Downs and other commercial developments along with the increase from the new enhanced enforcement program for Vehicle Licenses.

Grants increased by about \$2.3 million from the prior year. This increase is due primarily to Grant revenue recognized in the Storm Water Control Fund.

(See independent auditor's report.)

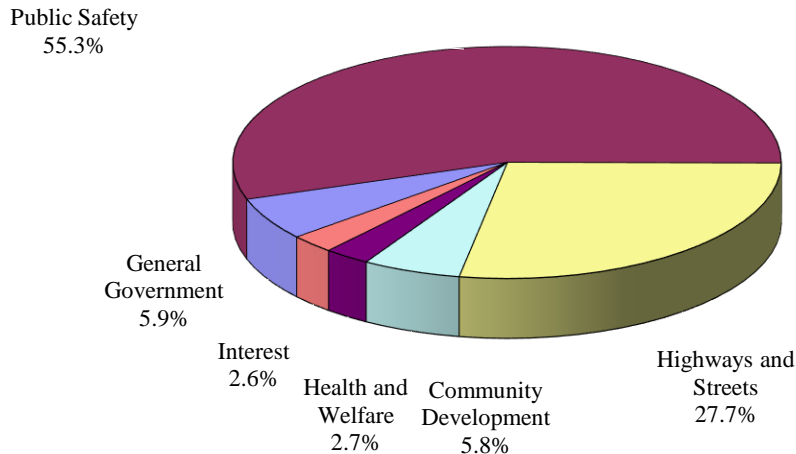
# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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### Expenses:

**12/31/19 Governmental Activities  
Expenses by Function**



For the year ended December 31, 2019, expenses from Governmental Activities totaled \$90.2 million, a decrease of \$1 million (net of transfers) or 1% over the prior year. This decrease was due mainly to the changes in the Capital items and Depreciation Expense that is included in the Governmental Activities Statement of Net Position in the Highways and Streets expense category.

During 2019 the Village combined its Engineering division with the Public Works Department. This resulted in a reclassification of expenditures from Community Development, with a corresponding increase in expenditures in the Highways & Streets expense category where Public Works Department expenses are classified.

Public Safety expenses increased by \$1.6 million due in part to a 3% increase to salaries and an increase to medical insurance and employer contributions to the Police and Fire Pension Funds. Police and Fire pension property tax levies are collected in the General Fund and paid to these respective pension funds as an employer contribution and are shown as pension expenses in the Police and Fire Departments.

### **Business-Type Activities**

#### Revenues:

The total revenue for the business-type activities increased by \$1 million (net of transfers). Water and sewer rates increased 5% per the Village's five-year rate plan. The rate adjustment allows the Village to make necessary water main replacements to the water and sanitary sewer infrastructure. Solid Waste Disposal revenues increased by approximately \$72,000 from the prior year.

#### Expenses:

Expenses from business-type activities increased by about \$400,000 (net of transfers) compared to the prior year. The main reason was due to a decrease in the Water and Sewer Fund expenditures of \$300,000 which was offset by an increase \$600,000 in the Solid Waste Disposal Fund for charges and services from an additional 6,100 tons of solid waste delivered over the committed tons to the Solid Waste Agency and an increase of \$100,000 in the Arts, Entertainment and Events Fund.

(See independent auditor's report.)

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

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

#### ***Governmental Funds***

At December 31, 2019, the Governmental Funds (as presented on Pages 8 and 10) reported a combined fund balance of \$74,390,683, which is a 3% decrease from the beginning of the year balance of \$76,594,064. Of the total fund balance, \$29,784,407 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 \$38,005,083 include \$2,182,035 for debt service, \$13,902,327 for capital projects, \$2,128,380 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), \$2,905,808 for highways and streets (MFT Fund), \$9,350,926 for Stormwater control, and \$7,535,607 for community development (TIF Funds). 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 \$6,295,418 includes \$850,916 for Public Building, \$4,635,880 for public parking, and \$808,622 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 \$173,500 or 1.0% above December 31, 2018. Revenues came in over expenditures by \$1.0 million mainly from the increase of Income, Sales and Use Tax over the prior year.

The Debt Service Fund is used to account for the general long-term debt. The total fund balance of the Debt Service Fund of \$2,182,035 decreased by \$14,992 compared to \$2,197,027 at December 31, 2018. Property Taxes decreased by \$60,600, but were partially offset by increases to Investment Income and an IMET distribution.

The Capital Projects Fund accounts for the costs of capital improvement and equipment replacement. The total Fund Balance increased by \$405,603 from \$10,695,095 to \$11,100,698 at December 31, 2019. Expenditures surpassed Revenues by \$1.2 million, but the deficiency was offset by a Transfer In of \$1.6 million from the combined transfers of the General, Solid Waste and the Public Building Funds.

#### ***Proprietary Funds***

At December 31, 2019 the Proprietary Funds (as presented on Pages 12-16) total net position increased by \$1.9 million or 4.0%. Accumulated depreciation increased by \$1.4 million and depreciable assets increased by \$4.8 million.

In the Water & Sewer Fund cash and investments decreased by \$1.3 million due to planned expenses and Capital Outlay coming in higher than revenues by \$2.7 million. In addition, the Village received a member rebate of \$218,000 from the Northwest Water Commission, along with a \$500,000 operating transfer in from Storm Water Control Fund. Solid Waste Disposal Fund cash and investments decreased by \$288,300 due to an increase in Prepaids and Operating Transfer out to the Capital Projects Fund. In the A, E & E Fund cash and investments increased \$31,100.

(See independent auditor's report.)

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**Table 3: General Fund Budgetary Highlights**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
Revenues	\$ 73,861,400	\$ 73,873,200	\$ 76,561,331
Expenditures	74,303,346	74,303,346	75,589,290
Excess of Revenues			
Over Expenditures	\$ (441,946)	\$ (430,146)	\$ 972,041
Other Financing Sources (Uses)	(252,700)	(252,700)	(798,552)
<b>Net Changes in Fund Balance</b>	<b>\$ (694,646)</b>	<b>\$ (682,846)</b>	<b>\$ 173,489</b>

Over the course of the fiscal year, as shown on page 73 the Village amended the General Fund expenditure budget at various times for a total of \$7,773,400 or 10 % over the original budget. The expenditure budget amendments can be summarized as follows:

\$6,184,100	Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year.
\$1,589,300	Miscellaneous Budget Amendments.
<u>\$ 7,773,400</u>	Total General Fund expenditure budget amendments.

General Fund revenues ended the fiscal year \$2.7 million over the final budget. Sales, home rule sales, and State use tax receipts came in a combined \$730,100 over budget. Income tax receipts outperformed the budget by \$711,800. Cable Franchise fees came in under budget by \$156,000. Electric utility tax receipts came in \$199,200 under budget, and natural gas utility tax receipts came in over budget by \$120,000. Building permit revenue came in over budget by \$393,000. Telecommunications tax receipts came in under budget by \$147,100. Ambulance service charges came in over budget by \$75,000, however the revenues were \$198,000 over prior year's ambulance charges due to the increase at the end of 2018 for the Ambulance Transport Fee to cover the rising costs of providing emergency medical services.

The year-end results for General Fund expenditures came in over budget by \$1,285,900. This overage was primarily from the unbudgeted Public Safety Pension Contributions included in fringe benefits for the Police and Fire Departments due to the Board approved \$2,500,000 additional contribution to each pension fund. Salary expenditures for the Fire Department came in over budget by \$243,500, due to normal and temporary workers' compensation related vacancies. Other Legal Services in the Legal Department came in \$57,100 over budget.

The General Fund's total net change in fund balance increased by \$173,500 as a result of revenues coming in over expenditures by \$972,000 net of other financing uses totaling \$798,500.

**CAPITAL ASSETS**

At the end of 2019, the Village had a combined total of \$241.3 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 31-32 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net increase (including additions and deletions) of \$9.01 million. Table 5 focuses on the changes in capital assets of the governmental and business-type activities.

(See independent auditor's report.)

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

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$12.00	\$12.43	\$3.12	\$3.12	\$15.12	\$15.55
Land Right-of-Way (ROW)	81.60	80.37	--	--	81.60	80.37
Construction in Progress	6.60	0.00	0.12	--	6.60	0.00
Building	77.20	80.65	8.30	8.68	85.50	89.33
Machinery & Equipment	9.50	9.41	1.81	2.01	11.31	11.42
Infrastructure (Streets)	24.70	23.09	--	--	24.70	23.09
Underground Systems (Water & Sewer)	--	--	16.42	12.48	16.42	12.48
<b>Total Capital Assets, Net</b>	<b>\$211.48</b>	<b>\$205.95</b>	<b>\$29.77</b>	<b>\$26.29</b>	<b>\$241.25</b>	<b>\$232.24</b>

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Beginning Balance</b>	\$205.95	\$26.29	\$232.24
<b>Additions</b>			
Depreciable	4.40	4.81	9.21
Non-Depreciable	7.80	-	7.80
CIP	-	0.12	0.12
<b>Retirements</b>			
Depreciable	(2.58)	-	(2.58)
Non-Depreciable	(0.45)	-	(0.45)
CIP	-	-	-
<b>Depreciation</b>	(5.80)	(1.45)	(7.25)
Retirement	2.16	-	2.16
<b>Ending Balance</b>	<b>\$211.48</b>	<b>\$29.77</b>	<b>\$241.25</b>

The governmental activities net capital assets increased by \$5.53 million due primarily to additions related to the Village's stormwater activities. Depreciation Expense was \$5.8 million for the current year. For business-type activities, the capital assets net of depreciation increased by \$3.48 million or 13.24% due primarily to the addition of Infrastructure consisting of Storm Sewers.

#### **DEBT OUTSTANDING**

As of December 31, 2019, total General Obligation Bonds outstanding for governmental activities amounted to \$56 million. Of this amount, \$45.1 million for reconstruction of public buildings, \$800,000 for the NWCDS building, \$900,000 is for road improvements, and \$9.2 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 2019 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 34-38.

(See independent auditor's report.)



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

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**ECONOMIC FACTORS AND NEXT YEAR'S 2020 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 six 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. At the end of fieldwork, the Village entered into the early days of the Coronavirus crisis. Developing strategies to maintain a strong fund balance in the General Fund will prove valuable with the impact that the Coronavirus Recession will have on the General Fund revenues that are susceptible to economic changes. During the next year, several revenues are projected to come in under budget, although user fees and property taxes will not be greatly affected, there will still be a strain put on the fund balance for a good portion of the year in 2020.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

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

(See independent auditor's report.)

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**STATEMENT OF NET POSITION**

December 31, 2019

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 100,332,503	\$ 5,054,135	\$ 105,386,638
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	39,032,347	-	39,032,347
Other taxes	7,280,427	-	7,280,427
Customer accounts	-	3,079,040	3,079,040
Accrued interest	487,653	25,008	512,661
CDBG rehabilitation loans	1,990,993	-	1,990,993
Grants	622,423	-	622,423
Other	2,177,658	-	2,177,658
Prepaid expenses	577,376	266,999	844,375
Inventory	222,752	377,491	600,243
Interfund items	500,000	(500,000)	-
Due from fiduciary funds	1,556	-	1,556
Investment in joint venture	-	17,110,382	17,110,382
Capital assets not being depreciated	100,138,046	3,248,841	103,386,887
Capital assets being depreciated (net of accumulated depreciation)	111,337,800	26,524,091	137,861,891
 Total assets	 364,701,534	 55,185,987	 419,887,521
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Asset retirement obligation items	-	1,015,000	1,015,000
IMRF items	2,521,419	735,217	3,256,636
Police pension items	2,833,397	-	2,833,397
Firefighters' pension items	55,114	-	55,114
OPEB items	5,808,935	231,329	6,040,264
Unamortized loss on refunding	162,464	-	162,464
 Total deferred outflows of resources	 11,381,329	 1,981,546	 13,362,875
 Total assets and deferred outflows of resources	 376,082,863	 57,167,533	 433,250,396

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2019

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,625,310	\$ 1,233,870	\$ 8,859,180
Accrued payroll	1,277,125	140,373	1,417,498
Unearned revenue	2,315,857	-	2,315,857
Due to fiduciary funds	2,722,596	-	2,722,596
Payroll taxes payable	1,929,555	-	1,929,555
Claims payable	1,817,457	-	1,817,457
Accrued interest payable	133,490	-	133,490
Noncurrent liabilities			
Due within one year	7,134,129	79,690	7,213,819
Due in more than one year	152,329,747	4,586,873	156,916,620
 Total liabilities	 177,285,266	 6,040,806	 183,326,072
<b>DEFERRED INFLOWS OF RESOURCES</b>			
IMRF items	5,069,236	1,478,130	6,547,366
Police pension items	12,040,425	-	12,040,425
Firefighters' pension items	7,981,829	-	7,981,829
OPEB items	784,028	56,334	840,362
Unavailable revenue - property taxes	39,032,347	-	39,032,347
 Total deferred inflows of resources	 64,907,865	 1,534,464	 66,442,329
 Total liabilities and deferred inflows of resources	 242,193,131	 7,575,270	 249,768,401
<b>NET POSITION</b>			
Net investment in capital assets	155,122,107	29,772,932	184,895,039
Restricted for			
Public safety	2,128,380	-	2,128,380
Highways and streets	2,905,808	-	2,905,808
Capital projects	11,080,623	-	11,080,623
Community development	7,535,607	-	7,535,607
Debt service	2,182,035	-	2,182,035
Stormwater control	9,350,926	-	9,350,926
Unrestricted	(56,415,754)	19,819,331	(36,596,423)
 <b>TOTAL NET POSITION</b>	 \$ 133,889,732	 \$ 49,592,263	 \$ 183,481,995

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 5,364,493	\$ 6,347,691	\$ 238,392	\$ -
Public safety	49,917,159	3,985,006	266,443	-
Highways and streets	25,021,840	1,397,660	2,494,900	1,970,000
Community development	5,212,443	2,056,866	340,802	-
Health and welfare	2,424,569	42,343	-	-
Interest	2,366,030	-	-	-
Total governmental activities	90,306,534	13,829,566	3,340,537	1,970,000
Business-Type Activities				
Water and sewer	17,931,202	19,259,539	-	-
Solid waste disposal	1,577,690	1,965,249	-	-
Arts, entertainment and events	887,553	135,258	-	-
Total business-type activities	20,396,445	21,360,046	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 110,702,979</b>	<b>\$ 35,189,612</b>	<b>\$ 3,340,537</b>	<b>\$ 1,970,000</b>
Component Unit				
Arlington Heights Memorial Library	\$ -	\$ -	\$ -	\$ -

<b>Net (Expense) Revenue and Change in Net Position</b>				
<b>Primary Government</b>			<b>Component Unit</b>	
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Arlington Heights Memorial Library</b>	
\$ 1,221,590	\$ -	\$ 1,221,590	\$ -	
(45,665,710)	-	(45,665,710)	-	
(19,159,280)	-	(19,159,280)	-	
(2,814,775)	-	(2,814,775)	-	
(2,382,226)	-	(2,382,226)	-	
(2,366,030)	-	(2,366,030)	-	
(71,166,431)	-	(71,166,431)	-	
-	1,328,337	1,328,337	-	
-	387,559	387,559	-	
-	(752,295)	(752,295)	-	
-	963,601	963,601	-	
(71,166,431)	963,601	(70,202,830)	-	
<b>General Revenues</b>				
<b>Taxes</b>				
Property	37,873,650	-	37,873,650	-
Utility	5,220,745	-	5,220,745	-
Home rule sales	7,201,491	-	7,201,491	-
Hotel/motel	1,109,349	-	1,109,349	-
Food and beverage	2,079,454	693,535	2,772,989	-
Telecommunications	2,356,604	-	2,356,604	-
Foreign fire insurance	134,895	-	134,895	-
Other	61,304	-	61,304	-
<b>Intergovernmental - unrestricted</b>				
Sales	12,914,676	-	12,914,676	-
Use	2,488,121	-	2,488,121	-
Replacement	523,154	-	523,154	-
Shared income taxes	7,993,678	-	7,993,678	-
Investment income	1,720,017	139,045	1,859,062	-
Miscellaneous	1,638,848	553,812	2,192,660	-
Transfers	434,197	(434,197)	-	-
Total	83,750,183	952,195	84,702,378	-
CHANGE IN NET POSITION	12,583,752	1,915,796	14,499,548	-
NET POSITION, JANUARY 1	121,305,980	47,676,467	168,982,447	16,307,805
Prior period adjustment	-	-	-	(16,307,805)
NET POSITION, JANUARY 1 (RESTATED)	121,305,980	47,676,467	168,982,447	-
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 133,889,732</b>	<b>\$ 49,592,263</b>	<b>\$ 183,481,995</b>	<b>\$ -</b>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

December 31, 2019

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 31,469,850	\$ 2,172,670	\$ 11,024,119	\$ 31,021,460	\$ 75,688,099
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	24,973,597	6,690,350	5,500,000	1,868,400	39,032,347
Other taxes	6,502,539	-	448,218	329,670	7,280,427
Accrued interest	162,621	9,683	55,908	134,366	362,578
CDBG rehabilitation loans	-	-	-	1,990,993	1,990,993
Grants	-	-	425,464	196,959	622,423
Other	1,098,356	-	-	951,690	2,050,046
Prepaid items	218,643	-	20,075	-	238,718
Due from other funds	200,002	-	500,000	552,615	1,252,617
Due from fiduciary funds	1,556	-	-	-	1,556
Inventory	67,057	-	-	-	67,057
<b>TOTAL ASSETS</b>	<b>\$ 64,694,221</b>	<b>\$ 8,872,703</b>	<b>\$ 17,973,784</b>	<b>\$ 37,046,153</b>	<b>\$ 128,586,861</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,469,455	\$ 318	\$ 1,329,958	\$ 2,547,202	\$ 6,346,933
Accrued payroll	1,210,474	-	328	11,083	1,221,885
Deposits payable	1,929,555	-	-	-	1,929,555
Due to other funds	509,815	-	42,800	200,002	752,617
Due to fiduciary funds	2,722,596	-	-	-	2,722,596
Unearned revenue	-	-	-	2,190,245	2,190,245
Total liabilities	8,841,895	318	1,373,086	4,948,532	15,163,831
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	24,973,597	6,690,350	5,500,000	1,868,400	39,032,347
Total deferred inflows of resources	24,973,597	6,690,350	5,500,000	1,868,400	39,032,347
Total liabilities and deferred inflows of resources	33,815,492	6,690,668	6,873,086	6,816,932	54,196,178
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	218,643	-	20,075	-	238,718
Inventory	67,057	-	-	-	67,057
Restricted					
Debt service	-	2,182,035	-	-	2,182,035
Capital projects	-	-	11,080,623	2,821,704	13,902,327
Public safety	-	-	-	2,128,380	2,128,380
Highways and streets	-	-	-	2,905,808	2,905,808
Community development	-	-	-	7,535,607	7,535,607
Stormwater control	-	-	-	9,350,926	9,350,926
Unrestricted					
Assigned					
Disabled citizens programs	4,387	-	-	-	4,387
Emergency assistance programs	234,442	-	-	-	234,442
Senior center maintenance	442,000	-	-	-	442,000
Canine unit donation	127,793	-	-	-	127,793
Public parking	-	-	-	4,635,880	4,635,880
Public building	-	-	-	850,916	850,916
Unassigned	29,784,407	-	-	-	29,784,407
Total fund balances	30,878,729	2,182,035	11,100,698	30,229,221	74,390,683
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 64,694,221</b>	<b>\$ 8,872,703</b>	<b>\$ 17,973,784</b>	<b>\$ 37,046,153</b>	<b>\$ 128,586,861</b>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

December 31, 2019

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 74,390,683</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 governmental funds	211,475,846
Less internal service funds	(8,463,631)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(56,055,000)
Unamortized premium on bonds	(3,282,907)
Unamortized loss on refunding of bonds	162,464
Net pension liability - police pension	(26,745,051)
Net pension liability - firefighters' pension	(35,118,223)
Net pension liability - IMRF	(8,438,239)
Total OPEB liability	(27,707,491)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	2,521,419
Deferred inflows of resources	(5,069,236)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	2,833,397
Deferred inflows of resources	(12,040,425)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Firefighters' Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	55,114
Deferred inflows of resources	(7,981,829)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Postemployment Benefit Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	5,738,238
Deferred inflows of resources	(776,741)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in governmental funds	(1,861,132)
Less internal service funds	132,135
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(133,490)
The net position of the internal service funds are included in the governmental activities in the statement of net position	30,253,831
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 133,889,732</u></b>

See accompanying notes to financial statement.



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES**

For the Year Ended December 31, 2019

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes	\$ 40,228,059	\$ 6,747,697	\$ 7,093,173	\$ 1,968,563	\$ 56,037,492
Licenses and permits	4,834,759	-	-	-	4,834,759
Intergovernmental	23,919,629	-	-	4,624,948	28,544,577
Grants	313,644	-	31,143	340,802	685,589
Charges for services	34,376	-	-	3,191,047	3,225,423
Fines and fees	5,886,632	-	-	57,470	5,944,102
Investment income	710,851	103,952	273,920	631,294	1,720,017
Miscellaneous	633,381	305,108	72,869	452,772	1,464,130
Total revenues	76,561,331	7,156,757	7,471,105	11,266,896	102,456,089
<b>EXPENDITURES</b>					
Current					
General government	4,946,789	-	-	-	4,946,789
Public safety	51,411,155	-	-	733,598	52,144,753
Highways and streets	12,754,757	-	-	1,208,123	13,962,880
Community development	4,247,624	-	-	439,173	4,686,797
Health and welfare	2,228,965	-	-	-	2,228,965
Capital outlay	-	-	8,665,502	10,594,332	19,259,834
Debt service					
Principal retirement	-	5,650,000	-	-	5,650,000
Interest and fiscal charges	-	2,110,912	-	-	2,110,912
Issuance costs	-	110,752	-	-	110,752
Total expenditures	75,589,290	7,871,664	8,665,502	12,975,226	105,101,682
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	972,041	(714,907)	(1,194,397)	(1,708,330)	(2,645,593)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued, at par	-	7,985,000	-	-	7,985,000
Premium on bonds issued	-	1,516,526	-	-	1,516,526
Payment to escrow agent	-	(9,493,511)	-	-	(9,493,511)
Transfers in	200,000	691,900	1,600,000	432,749	2,924,649
Transfers (out)	(998,552)	-	-	(1,491,900)	(2,490,452)
Total other financing sources (uses)	(798,552)	699,915	1,600,000	(1,059,151)	442,212
<b>NET CHANGE IN FUND BALANCES</b>	173,489	(14,992)	405,603	(2,767,481)	(2,203,381)
<b>FUND BALANCES, JANUARY 1</b>	30,705,240	2,197,027	10,695,095	32,996,702	76,594,064
<b>FUND BALANCES, DECEMBER 31</b>	\$ 30,878,729	\$ 2,182,035	\$ 11,100,698	\$ 30,229,221	\$ 74,390,683

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

For the Year Ended December 31, 2019

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (2,203,381)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	10,781,618
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,307,241)
The loss on disposal of capital assets is reported as an expense in the statement of activities	(863,671)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures but are recorded as long-term liabilities and deferred outflows and inflows of resources on the government-wide statements	
Issuance of bonds	(7,985,000)
Premium on issuance of bonds	(1,516,526)
Payment to escrow agent	9,345,000
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	5,650,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Amortization of gains and losses on refundings	(470,214)
Amortization of premium on long-term debt	351,251
Change in compensated absences liability	59,465
Change in accrued interest payable	123,108
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows and inflows of resources is not a source or use of a financial resource	
Net pension liability	8,889,047
Deferred outflows and deferred inflows of resources	(9,717,911)
The change in the Police Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	
Net pension liability	17,258,441
Deferred outflows and deferred inflows of resources	(14,827,626)
The change in the Firefighters' Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	
Net pension liability	12,185,510
Deferred outflows and deferred inflows of resources	(10,061,346)
The change in the total OPEB liability and deferred outflow/inflows of resources is not a source or use of a financial resource	
Total OPEB liability	(4,319,847)
Deferred outflows and deferred inflows of resources	2,928,787
The change in net position of internal service funds is reported in governmental activities	1,284,288
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 12,583,752</b>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION**

December 31, 2019

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>Internal Service</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 920,680	\$ 4,133,455	\$ 5,054,135	\$ 24,644,404
Receivables				
Customer accounts	2,962,878	116,162	3,079,040	-
Accrued interest	4,299	20,709	25,008	125,075
Other	-	-	-	127,612
Prepaid expenses	32,800	234,199	266,999	338,658
Inventory	377,491	-	377,491	155,695
Total current assets	4,298,148	4,504,525	8,802,673	25,391,444
<b>NONCURRENT ASSETS</b>				
Capital assets				
Nondepreciable capital assets	2,773,641	475,200	3,248,841	-
Depreciable capital assets	106,423,076	2,615,292	109,038,368	21,983,921
Accumulated depreciation	(81,330,341)	(1,183,936)	(82,514,277)	(13,520,290)
Net capital assets	27,866,376	1,906,556	29,772,932	8,463,631
Other assets				
Investment in joint venture	17,110,382	-	17,110,382	-
Total other assets	17,110,382	-	17,110,382	-
Total noncurrent assets	44,976,758	1,906,556	46,883,314	8,463,631
Total assets	49,274,906	6,411,081	55,685,987	33,855,075
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Asset retirement obligation items	1,015,000	-	1,015,000	-
IMRF items	735,217	-	735,217	-
OPEB items	231,329	-	231,329	70,697
Total deferred outflows of resources	1,981,546	-	1,981,546	70,697
Total assets and deferred outflows of resources	51,256,452	6,411,081	57,667,533	33,925,772

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION (Continued)**

December 31, 2019

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>Internal Service</b>
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 1,082,939	\$ 150,931	\$ 1,233,870	\$ 1,278,377
Unearned revenue	-	-	-	125,612
Accrued payroll	140,373	-	140,373	55,240
Due to other funds	500,000	-	500,000	-
Claims payable	-	-	-	1,817,457
Compensated absences payable	43,763	-	43,763	26,427
Total OPEB liability	35,927	-	35,927	9,807
Total current liabilities	1,803,002	150,931	1,953,933	3,312,920
<b>LONG-TERM LIABILITIES</b>				
Compensated absences payable	175,051	-	175,051	105,708
Asset retirement obligations	1,050,000	-	1,050,000	-
Net pension liability - IMRF	2,460,494	-	2,460,494	-
Total OPEB liability	901,328	-	901,328	246,026
Total long-term liabilities	4,586,873	-	4,586,873	351,734
Total liabilities	6,389,875	150,931	6,540,806	3,664,654
<b>DEFERRED INFLOWS OF RESOURCES</b>				
IMRF items	1,478,130	-	1,478,130	-
OPEB items	56,334	-	56,334	7,287
Total deferred inflows of resources	1,534,464	-	1,534,464	7,287
Total liabilities and deferred inflows of resources	7,924,339	150,931	8,075,270	3,671,941
<b>NET POSITION</b>				
Net investment in capital assets	27,866,376	1,906,556	29,772,932	8,463,631
Unrestricted	15,465,737	4,353,594	19,819,331	21,790,200
<b>TOTAL NET POSITION</b>	\$ 43,332,113	\$ 6,260,150	\$ 49,592,263	\$ 30,253,831

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**

For the Year Ended December 31, 2019

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>Internal Service</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 18,454,496	\$ 2,100,507	\$ 20,555,003	\$ 18,144,001
Contributions	-	-	-	3,121,716
Fines	-	-	-	27,127
Miscellaneous	144,533	-	144,533	200,580
Total operating revenues	18,599,029	2,100,507	20,699,536	21,493,424
<b>OPERATING EXPENSES</b>				
Operations	16,519,911	2,394,932	18,914,843	19,499,121
Depreciation and amortization	1,411,291	70,311	1,481,602	1,496,789
Total operating expenses	17,931,202	2,465,243	20,396,445	20,995,910
OPERATING INCOME	667,827	(364,736)	303,091	497,514
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	43,175	95,870	139,045	505,865
Increase in joint venture	805,043	-	805,043	-
Other income	399,997	9,282	409,279	280,909
Food and beverage tax	-	693,535	693,535	-
Total non-operating revenues (expenses)	1,248,215	798,687	2,046,902	786,774
INCOME BEFORE TRANSFERS	1,916,042	433,951	2,349,993	1,284,288
<b>TRANSFERS</b>				
Transfers in	45,791	20,012	65,803	316,133
Transfers (out)	-	(500,000)	(500,000)	(316,133)
Total transfers	45,791	(479,988)	(434,197)	-
CHANGE IN NET POSITION	1,961,833	(46,037)	1,915,796	1,284,288
NET POSITION, JANUARY 1	41,370,280	6,306,187	47,676,467	28,969,543
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 43,332,113</b>	<b>\$ 6,260,150</b>	<b>\$ 49,592,263</b>	<b>\$ 30,253,831</b>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>Internal Service</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 18,572,584	\$ 2,100,879	\$ 20,673,463	\$ 3,254,866
Payments for internal services	(1,716,928)	-	(1,716,928)	18,664,598
Payments to suppliers	(7,359,528)	(2,429,427)	(9,788,955)	(17,693,533)
Payments to employees	(6,553,517)	(188,400)	(6,741,917)	(2,408,176)
Net cash from operating activities	2,942,611	(516,948)	2,425,663	1,817,755
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers (in)	45,791	20,012	65,803	-
Transfers (out)	-	(500,000)	(500,000)	-
Interfund activity	500,000	-	500,000	-
Food and beverage tax receipts	-	693,535	693,535	-
Net cash from noncapital financing activities	545,791	213,547	759,338	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(4,884,459)	(34,546)	(4,919,005)	(1,410,125)
Net cash from capital and related financing activities	(4,884,459)	(34,546)	(4,919,005)	(1,410,125)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	41,289	80,763	122,052	406,474
Net cash from investing activities	41,289	80,763	122,052	406,474
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,354,768)	(257,184)	(1,611,952)	814,104
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	2,275,448	4,390,639	6,666,087	23,830,300
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 920,680	\$ 4,133,455	\$ 5,054,135	\$ 24,644,404

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS (Continued)**

For the Year Ended December 31, 2019

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise</b>	<b>Total</b>	<b>Internal Service</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income	\$ 667,827	\$ (364,736)	\$ 303,091	\$ 504,147
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization	1,411,291	70,311	1,481,602	1,490,156
Other income	399,997	9,282	409,279	280,909
Change in assets and liabilities				
Receivables	(426,442)	(8,910)	(435,352)	(64,426)
Prepaid expenses	(25,200)	(134,940)	(160,140)	(303,073)
Inventories	270,744	-	270,744	(79,135)
Accounts payable	385,404	-	385,404	278,534
Accrued payroll	19,104	(87,955)	(68,851)	11,628
Unearned revenue	-	-	-	125,612
Compensated absences payable	2,045	-	2,045	2,909
IMRF items	241,687	-	241,687	-
OPEB items	(3,846)	-	(3,846)	(18,612)
Claims payable	-	-	-	(410,894)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 2,942,611</u>	<u>\$ (516,948)</u>	<u>\$ 2,425,663</u>	<u>\$ 1,817,755</u>
<b>NONCASH TRANSACTIONS</b>				
Investment in joint venture	<u>\$ 805,043</u>	<u>\$ -</u>	<u>\$ 805,043</u>	<u>\$ -</u>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY NET POSITION**

December 31, 2019

	<b>Pension Trust</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 9,568,342
Investments	
U.S. Government and agency obligations	36,826,660
Equity securities	116,827,449
Negotiable certificates of deposits	250,356
REIT	16,120,593
Mutual funds	43,859,619
CMOs/asset backed securities	5,927,034
Corporate bonds	36,049,630
Municipal bonds	3,531,668
Receivables	
Accrued interest	552,692
Due from Village	2,722,596
Other	1,253
Prepaid items	15,000
Total assets	<u>272,252,892</u>
<b>LIABILITIES</b>	
Accounts payable	332
Due to other governments	1,556
Other payables	21,000
Total liabilities	<u>22,888</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u><u>\$ 272,230,004</u></u>

See accompanying notes to financial statement.



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PENSION TRUST FUNDS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2019

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**ADDITIONS**

Contributions

Employer	\$ 11,470,000
Participants	2,402,459
Other	<u>6,949</u>

Total contributions	<u>13,879,408</u>
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Investment income

Net appreciation in fair value of investments	38,924,792
Interest income	<u>4,850,321</u>

Subtotal	43,775,113
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Less investment expense	<u>(580,309)</u>
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Net investment income	<u>43,194,804</u>
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Total additions	<u>57,074,212</u>
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**DEDUCTIONS**

Administrative	65,571
Pension benefits and refunds	<u>15,274,946</u>

Total deductions	<u>15,340,517</u>
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NET INCREASE	41,733,695
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**NET POSITION RESTRICTED FOR  
PENSION BENEFITS**

January 1	<u>230,496,309</u>
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December 31	<u><u>\$ 272,230,004</u></u>
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See accompanying notes to financial statement.

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2019

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Arlington Heights, Illinois (the Village) was incorporated in 1887. The Village provides services to the community that include police, fire, water and sewer utility, community development, street maintenance, and general services.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. **Reporting Entity**

The Village is a municipal corporation governed by an elected eight-member board. As required by GAAP, these financial statements present the Village (the primary government). Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the Village as pension trust funds.

**Police Pension Employees Retirement System**

The Village's police employees participate in 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 Mayor, one elected by pension beneficiaries and two elected police employees constitute the pension board. The Village is obligated to fund all PPERS costs not funded by PPERS participants based upon actuarial valuations, which creates a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the PPERS being fiscally dependent upon the Village. PPERS is reported as a pension trust fund. PPERS does not issue a stand-alone financial report.

**Firefighters' Pension Employees Retirement System**

The Village's sworn firefighters participate in Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected fire employees constitute the pension board. The Village is obligated to fund all FPERS costs not funded by FPERS participants based upon actuarial valuations, which creates a financial burden on the Village.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the FPERS being fiscally dependent on the Village. FPERS is reported as a pension trust fund. FPERS does not issue a stand-alone financial report.

b. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary, and fiduciary.

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

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

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

The Village reports the following major governmental funds:

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

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

The Capital Projects Fund accounts for financial resources that are restricted, committed or assigned to expenditure for miscellaneous capital improvement projects and equipment replacement. Major projects include: road improvements, curb replacement, paving maintenance and sidewalk replacement/installation.

The Village reports the following major proprietary funds:

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Additionally, the Village reports the following Internal Service Funds:

Internal Service Funds account for operations that provide services to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis.

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

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 workers' compensation.

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

The internal service funds are reported as part of the governmental activities on the government-wide financial statements as the services provided predominantly benefit the Village's governmental funds/activities.

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes and telecommunication taxes which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Cash and Investments

For purposes of the statement of cash flows, the Village considers cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (current portion of interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances are offset by nonspendable fund balance in applicable governmental funds.

Interfund service transactions are accounted for as revenues, expenditures, or expenses.

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

g. Property Taxes

Property taxes for 2019 attached as an enforceable lien on January 1, 2019 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2020 and August 1, 2020 and are payable in two installments, on or about March 1, 2020 and September 1, 2020. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy, to reflect actual collection experience. Since the 2019 levy is intended to fund the 2020 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h. Inventories and Prepaid Items/Expenses

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid items/expenses are recorded as expenditures/expenses when consumed rather than when purchased.

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$10,000 and an estimated useful life of greater than of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

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

j. Compensated Absences

Vested or accumulated vacation leave that is owed to retirees or terminated employees, if applicable, is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation leave of proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.



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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Long-Term Obligations

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

Issuance costs are reported as expenses.

The unamortized loss on refunding is reported as a deferred outflow of resources.

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

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. Fund Balance/Net Position

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Fund Balance/Net Position (Continued)

constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Finance Director through the fund balance policy adopted by the Village Board of Trustees. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

The Village has established a fund balance reserve policy for its General Fund. The policy requires unassigned fund balances to be maintained in the General Fund equivalent to 25% of the fund's annual operating expenditures.

The Stormwater Fund reports restricted fund balance for capital projects (stormwater management projects) as established by the enabling ordinance.

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

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

n. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. 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; and Level 3 inputs are significant unobservable inputs.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds.

The Village's investment policy limits their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Additionally, the Village maintains a list of approved security brokers/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation).

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

The Village maintains a cash pool that is available for use by all funds, except the pension trust funds. 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.

Deposits with Financial Institutions

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

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments (Continued)

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 21,415,222	\$ 21,415,222	\$ -	\$ -	\$ -
Commercial Paper	987,167	987,167	-	-	-
U.S. Treasury Bonds	20,070,083	20,070,083	-	-	-
IMET	23,877,400	23,877,400	-	-	-
<b>TOTAL</b>	<b>\$ 66,349,872</b>	<b>\$ 66,349,872</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

The Village has the following recurring fair value measurements as of December 31, 2019: U.S. Treasury obligations are measured using quoted process in active markets for identical assets (Level 1 inputs). The negotiable certificates of deposit are measured at fair value using quoted matrix pricing models (Level 2 inputs). Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The commercial paper is reported at cost.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by 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 Illinois Funds and IMET are rated AAA, and the commercial paper is rated A-1. The investment ratings for the negotiable certificates of deposit, U.S. Treasury obligations are not rated.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. The Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities and authorized investment pools) but has no set percentage limits.

**3. RECEIVABLES**

The following receivables are included in other taxes receivable on the statement of net position at December 31, 2019:

**GOVERNMENTAL ACTIVITIES**

Municipal sales tax	\$ 3,485,268
Home rule sales tax	1,792,874
Other taxes	1,672,615
Motor fuel tax	<u>329,670</u>

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 7,280,427</u></b>
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The following receivables are included in other receivables on the statement of net position:

**GOVERNMENTAL ACTIVITIES**

Franchise fees	\$ 357,156
Utility taxes	540,326
Grants	54,402
Zero interest loans	129,896
Stormwater	817,779
IRMA	127,612
Miscellaneous	<u>150,487</u>

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,177,658</u></b>
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**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 12,434,920	\$ -	\$ 450,000	\$ 11,984,920
Land right of way	80,367,498	1,183,390	-	81,550,888
Construction in progress	-	6,602,238	-	6,602,238
Total capital assets not being depreciated	92,802,418	7,785,628	450,000	100,138,046
Capital assets being depreciated				
Buildings and improvements	126,776,959	-	809,590	125,967,369
Machinery, equipment and vehicles	25,717,596	1,901,989	1,770,458	25,849,127
Infrastructure	68,290,976	2,504,127	-	70,795,103
Total capital assets being depreciated	220,785,531	4,406,116	2,580,048	222,611,599
Less accumulated depreciation for				
Buildings and improvements	46,126,929	3,085,304	395,919	48,816,314
Machinery, equipment and vehicles	16,307,201	1,860,516	1,770,458	16,397,259
Infrastructure	45,202,016	858,210	-	46,060,226
Total accumulated depreciation	107,636,146	5,804,030	2,166,377	111,273,799
Total capital assets being depreciated, net	113,149,385	(1,397,914)	413,671	111,337,800
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 205,951,803</b>	<b>\$ 6,387,714</b>	<b>\$ 863,671</b>	<b>\$ 211,475,846</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 596,145
Public safety	1,219,517
Highways and streets	1,974,083
Community development	396,929
Health and welfare	120,567
Internal service	1,496,789
<b>TOTAL DEPRECIATION EXPENSE -</b>	
<b>GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,804,030</b>

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

**4. CAPITAL ASSETS (Continued)**

	Beginning Balances	Increases	Decreases	Ending Balances
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 3,124,150	\$ -	\$ -	\$ 3,124,150
Construction in progress	-	124,691	-	124,691
Total capital assets not being depreciated	3,124,150	124,691	-	3,248,841
Capital assets being depreciated				
Buildings and improvements	19,240,175	-	-	19,240,175
Machinery and equipment	6,608,683	34,546	-	6,643,229
Underground systems	78,384,446	4,770,518	-	83,154,964
Total capital assets being depreciated	104,233,304	4,805,064	-	109,038,368
Less accumulated depreciation for				
Buildings and improvements	10,565,632	383,557	-	10,949,189
Machinery and equipment	4,596,004	233,950	-	4,829,954
Underground systems	65,906,039	829,095	-	66,735,134
Total accumulated depreciation	81,067,675	1,446,602	-	82,514,277
Total capital assets being depreciated, net	23,165,629	3,358,462	-	26,524,091
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 26,289,779</u>	<u>\$ 3,483,153</u>	<u>\$ -</u>	<u>\$ 29,772,932</u>

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

<b>BUSINESS-TYPE ACTIVITIES</b>	
Water and sewer	\$ 1,376,291
Arts, entertainment, and events	70,311
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<u>\$ 1,446,602</u>

**5. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insured program. The Village is self-insured for the first \$100,000 for property claims, \$100,000 per employee for medical claims, \$1,000,000 for errors and omissions and \$750,000 for workers' compensation claims.

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

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

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**5. RISK MANAGEMENT (Continued)**

IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration and 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.

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 IRMA 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. Each member assumes the first \$10,000 (higher optional deductibles available) of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. The Village has chosen an optional higher deductible of \$100,000. 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. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. The total claims liability remaining as of December 31, 2019 was \$1,817,457.

There were no insurance claims that exceeded the amount of insurance coverage during the last three years.

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

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Total
UNPAID CLAIMS,				
DECEMBER 31, 2017	\$ 1,244,382	\$ 209,723	\$ 1,129,027	\$ 2,583,132
Claims incurred - 2018	10,148,367	17,041	615,785	10,781,193
Claims payments - 2018	(9,971,828)	(100,997)	(1,063,149)	(11,135,974)
UNPAID CLAIMS,				
DECEMBER 31, 2018	1,420,921	125,767	681,663	2,228,351
Claims incurred - 2019	9,604,705	150,313	1,321,720	11,076,738
Claims payments - 2019	(9,494,779)	(219,480)	(1,773,373)	(11,487,632)
UNPAID CLAIMS,				
DECEMBER 31, 2019	\$ 1,530,847	\$ 56,600	\$ 230,010	\$ 1,817,457



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

**6. COMMUNITY DEVELOPMENT BLOCK GRANT REHABILITATION LOANS**

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

	Interest Rates	Beginning of Year	Loans Made	Loan Repayments	Loan Write-Off	End of Year
CDBG rehab loans	0%	\$ 2,035,486	\$ -	\$ 38,782	\$ -	\$1,996,704

**7. LONG-TERM DEBT**

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Any general obligation bonds issued for proprietary funds are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund general obligation bonds.

On September 18, 2019, the Village issued General Obligation Refunding Bonds, Series 2019A in the amount of \$7,985,000 in part to refund \$9,345,000 of the Series 2011 General Obligation Refunding Bonds. Through the refunding, the Village recognized a cash flow savings of \$613,876 and an economic gain of \$565,977.

b. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2019:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
GOVERNMENTAL ACTIVITIES						
\$2,855,000 General Obligation Refunding Bonds, Series 2010, due in annual installments of \$20,000 to \$280,000 with interest at 1.50% to 3.25%. The last payment is due December 1, 2022.	Debt Service	\$ 1,065,000	\$ -	\$ 255,000	\$ 810,000	\$ 260,000

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

**7. LONG-TERM DEBT (Continued)**

**b. Changes in Long-Term Liabilities (Continued)**

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
<b>GOVERNMENTAL ACTIVITIES</b> (Continued)						
\$9,925,000 General Obligation Refunding Bonds, Series 2011, due in annual installments of \$40,000 to \$2,450,000 with interest at 2% to 4%. The last payment is due December 1, 2026.	Debt Service	\$ 9,420,000	\$ -	\$ 9,420,000	\$ -	\$ -
\$9,670,000 General Obligation Refunding Bonds, Series 2012A, due in annual installments of \$85,000 to \$2,145,000 with interest at 2%. The last payment is due December 1, 2022.	Debt Service	6,520,000	-	1,000,000	5,520,000	2,000,000
\$7,755,000 General Obligation Refunding Bonds, Series 2013, due in annual installments ranging from \$35,000 to \$2,135,000 with interest from 2% to 4%. The last payment is due December 1, 2019.	Debt Service	2,000,000	-	2,000,000	-	-
\$7,625,000 General Obligation Bonds, Series 2014, due in annual installments ranging from \$860,000 to \$1,435,000 with interest from 2% to 3%. The last payment is due December 1, 2020.	Debt Service	2,295,000	-	1,435,000	860,000	860,000
\$32,900,000 General Obligation Bonds, Series 2016, due in annual installments ranging from \$645,000 to \$2,315,000 with interest at 3% to 4%. The last payment is due December 1, 2036.	Debt Service	32,235,000	-	645,000	31,590,000	2,240,000
\$9,530,000 General Obligation Refunding Bonds, Series 2018, due in annual installments ranging from \$240,000 to \$665,000 with interest at 3.50% to 5.00%. The last payment is due December 1, 2038.	Debt Service	9,530,000	-	240,000	9,290,000	330,000
\$7,985,000 General Obligation Refunding Bonds, Series 2019, due in annual installments of \$640,000 to \$2,265,000 with interest at 5%. The last payment is due December 1, 2026.	Debt Service	-	7,985,000	-	7,985,000	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 63,065,000</b>	<b>\$ 7,985,000</b>	<b>\$ 14,995,000</b>	<b>\$ 56,055,000</b>	<b>\$ 5,690,000</b>

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

**7. LONG-TERM DEBT (Continued)**

**b. Changes in Long-Term Liabilities (Continued)**

The following is a summary of changes in long-term liabilities during 2019:

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
<b>GOVERNMENTAL ACTIVITIES</b>						
General obligation bonds	Debt Service	\$ 63,065,000	\$ 7,985,000	\$ 14,995,000	\$ 56,055,000	\$ 5,690,000
Unamortized bond premium		2,117,632	1,516,526	351,251	3,282,907	-
Compensated absences	General/Internal Service	1,917,688	326,981	383,537	1,861,132	372,226
Total OPEB liability	General/Internal Service	23,648,818	4,319,847	5,341	27,963,324	1,071,903
Net pension liability - IMRF	General	17,327,286	-	8,889,047	8,438,239	-
Net pension liability - Police Pension	General	44,003,492	-	17,258,441	26,745,051	-
Net pension liability - Firefighters' Pension	General	47,303,733	-	12,185,510	35,118,223	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 199,383,649</b>	<b>\$ 14,148,354</b>	<b>\$ 54,068,127</b>	<b>\$ 159,463,876</b>	<b>\$ 7,134,129</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Compensated absences	Water and Sewer	\$ 216,769	\$ 45,399	\$ 43,354	\$ 218,814	\$ 43,763
Net pension liability - IMRF	Water and Sewer	5,052,438	-	2,591,944	2,460,494	-
Total OPEB liability	Water and Sewer	884,719	52,536	-	937,255	35,927
Asset retirement obligation	Water and Sewer	1,050,000	-	-	1,050,000	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 7,203,926</b>	<b>\$ 97,935</b>	<b>\$ 2,635,298</b>	<b>\$ 4,666,563</b>	<b>\$ 79,690</b>

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

**7. LONG-TERM DEBT (Continued)**

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	Governmental Activities	
	Principal	Interest
2020	\$ 5,690,000	\$ 1,975,325
2021	4,345,000	1,821,325
2022	4,250,000	1,708,300
2023	4,090,000	1,577,450
2024	4,260,000	1,403,550
2025	3,640,000	1,222,650
2026	3,350,000	1,072,250
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	24,938
<b>TOTAL</b>	<b>\$ 56,055,000</b>	<b>\$ 16,737,513</b>

d. Legal Debt Margin

The Village is a home rule municipality.

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

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one 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.

**7. LONG-TERM DEBT (Continued)**

e. Asset Retirement Obligations

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells is 30 years. The Village had \$1,050,000 in asset retirement obligations and \$1,015,000 in deferred outflows as of December 31, 2019.

**8. CONTINGENT LIABILITIES**

a. Litigation

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

b. Grants

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

c. Northwest Water Commission

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

d. Solid Waste Agency of Northern Cook County

The Village's contract with the Solid Waste Agency of Northern Cook County (SWANCC) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

**9. ECONOMIC INCENTIVES/TAX ABATEMENTS**

The Village participates in Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the Class 6b program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Under the incentive provided by Class 6b, qualifying industrial real estate is eligible for the Class 6b level of assessment from the date that new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy. Properties receiving a Class 6b incentive are assessed at 10% of market value for the first ten years, 15% in the 11th year, and 20% in the 12th and final year of the incentive. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

The Village has granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the Village and the other impacted taxing districts than would have been generated if the development had not occurred.

The Village's share of the abatement granted to the Class 6b properties was not determinable for the fiscal year ended December 31, 2019.

The Village has entered into various economic incentive agreements with companies to rebate sales taxes. As of December 31, 2019, the Village has three active agreements with local businesses. The agreements require the Village to rebate to the companies varying amounts of sales tax generated by the facilities. The first agreement requires 33 1/3% of municipal sales tax to be rebated in annual installments through May 31, 2023 or until a total of \$2,250,000 has been paid. The second agreement requires 33 1/3% of municipal sales tax to be rebated in annual installments through August 31, 2025 or until a total of \$2,500,000 has been paid. The third agreement requires 50% of the incremental municipal sales tax generated by the company to be rebated in annual installments through January 18, 2023. The amount paid for the fiscal year ended December 31, 2019 was \$485,763. A total of \$2,319,683 has been rebated to date under active agreements.

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

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**10. COMMITMENTS**

a. Northwest Water Commission

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 3,676,300
2021	3,768,208
2022	3,862,413
2023	3,958,974
2024	4,057,948
2025	4,159,396

These amounts have been calculated using the Village's current allocation percentage of 36.42%. In future years, this allocation percentage will be subject to change.

NWWC has entered into water supply agreements with four member municipalities. The agreements are irrevocable and may not be terminated or amended except as provided in the general resolution. 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.

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

b. Solid Waste Agency of Northern Cook County

The Village has committed to pay its share of the annual operating costs and fixed costs of SWANCC. The Village's share of dual costs is funded through user fees collected by refuse haulers. The Village expects to pay the following amounts:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 1,345,747
2021	1,399,602
2022	1,410,213
2023	1,434,992
2024	1,463,241

These amounts have been calculated using the Village's allocation percentage of 3.96%. In future years, the allocation percentage will be subject to change.

## **11. JOINT VENTURES**

### **a. Solid Waste Agency of Northern Cook County**

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. 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 the Mayor or President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the Solid Waste Agency of Northern Cook County administrative office at the Village of Arlington Heights Public Works Building at 77 W. Hintz Road, Arlington Heights, Illinois 60090 or online at [www.swancc.org](http://www.swancc.org).

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

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges, 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 for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to 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 the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.



**11. JOINT VENTURES (Continued)**

a. Solid Waste Agency of Northern Cook County (Continued)

In accordance with the contract, the Village made payments totaling \$1,577,690 to SWANCC for the year ended December 31, 2019. The payments have been recorded in the Solid Waste Fund. The Village does not have an equity interest in SWANCC at December 31, 2019.

b. Northwest Water Commission

Description of Joint Venture

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

NWWC is governed by a Board of Commissioners which consists of one appointed representative 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, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

Complete financial statements can be obtained from the Northwest Water Commission, 1525 North Wolf Road, Des Plaines, Illinois 60016.

Revenues of the system consist of (1) all receipts derived from the Water Supply Agreements or any other contract for the supply of water; (2) all income derived from the investment of monies; and (3) all income, fees, water service charges, and all grants, rents, and receipts derived by NWWC from the ownership and operation of the system and the sale of water. NWWC covenants to establish fees and charges sufficient to provide revenues to meet all its obligations.

NWWC has entered into water supply agreements with the four member municipalities for a term of 40 years, extending to 2022. The agreements are irrevocable and may not be terminated or amended except as provided for in the General Resolution. 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.

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

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**11. JOINT VENTURES (Continued)**

b. Northwest Water Commission (Continued)

NWWC has entered into an agreement with the City of Evanston (the City) under which the City has agreed to sell quantities of Lake Michigan water sufficient to meet the projected water needs of the members through the year 2035.

The obligation of the Village to make payments required by this agreement is payable from the Village's Water and Sewer Fund.

In accordance with the joint venture agreement, the Village remitted \$3,676,300 to NWWC for the year ended December 31, 2019. The Village has an equity interest in NWWC in the amount of \$17,110,382 as of December 31, 2019.

**12. INDIVIDUAL FUND DISCLOSURES**

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 200,002
Capital Projects	General	500,000
Nonmajor Governmental	General	9,815
Nonmajor Governmental	Capital Projects	42,800
Nonmajor Governmental	Water and Sewer	500,000
General	Fiduciary	1,556
Fiduciary	General	<u>2,722,596</u>
<b>TOTAL</b>		<u><b>\$ 3,976,769</b></u>

The purposes of significant due from/due to other funds are as follows:

- \$500,000 due from General Fund to the Capital Projects Fund is for future capital projects. Repayment is expected within one year.
- \$500,000 due from the Water and Sewer Fund to the Nonmajor Governmental Funds is for a short-term loan. Repayment is expected within one year.
- \$2,722,596 due from the General Fund to fiduciary funds (Police and Firefighters' Pension Funds) related to the Village Board-approved distribution of surplus funds in the General Fund. Payment is expected within one year.

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

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**12. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2019 were as follows:

	Transfers In	Transfers Out
General		
Capital projects	\$ -	\$ 500,000
Water and sewer	-	45,791
Nonmajor governmental	-	432,749
Nonmajor enterprise	200,000	20,012
Total General	200,000	998,552
Debt Service		
Nonmajor governmental	691,900	-
Total Debt Service	691,900	-
Capital Projects		
General	500,000	-
Nonmajor governmental	800,000	-
Nonmajor enterprise	300,000	-
Total Capital Projects	1,600,000	-
Water and Sewer		
General	45,791	-
Total Waterworks and Sewerage	45,791	-
Nonmajor Governmental		
General	432,749	-
Debt service	-	691,900
Capital projects	-	800,000
Total Nonmajor governmental	432,749	1,991,900
Nonmajor Enterprise		
General	20,012	200,000
Capital projects	-	300,000
Total Nonmajor governmental	20,012	500,000
TOTAL	\$ 3,490,452	\$ 3,490,452

**12. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$500,000 transferred to the Capital Projects Fund from the General Fund to pay for future capital project. This transfer will not be repaid.
- \$691,900 transferred to the Debt Service Fund from the nonmajor governmental funds (Storm Water Control) for bond payments. This transfer will not be repaid.
- \$1,100,000 transferred to the Capital Projects Fund from the nonmajor governmental funds (\$800,000) and nonmajor enterprise funds (\$300,000) to fund capital projects. These transfers will not be repaid.

**13. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions, and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides postemployment health care and life insurance benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. All health care benefits are provided through the Village's health insurance plans. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions. Upon a retiree reaching age 65 years, Medicare becomes the primary insurer and the Village's plan becomes secondary. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

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

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At December 31, 2018 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	208
Terminated employees entitled to benefits but not yet receiving them	-
Duty disabled participants	13
Active employees	<u>408</u>
 TOTAL	 <u><u>629</u></u>
 Participating employers	 <u><u>1</u></u>

d. Total OPEB Liability

The Village's total OPEB liability of \$28,840,873 was measured as of December 31, 2019 and was determined by an actuarial valuation as of December 31, 2018.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2019, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2019, including updating the discount rate at December 31, 2019, as noted on the following page.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Market value
Salary Increases	3.00%
Discount rate	2.75%
Healthcare cost trend rates	8.00% Initial 4.50% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2019	<u>\$ 24,533,537</u>
Changes for the period	
Service cost	570,040
Interest	983,165
Differences between expected and actual experience	-
Assumption changes*	3,921,667
Benefit payments	<u>(1,107,830)</u>
Net changes	<u>4,367,042</u>
BALANCES AT DECEMBER 31, 2019	<u>\$ 28,900,579</u>

\*There were changes in assumptions related to the discount rate.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.75% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB liability	\$ 32,583,295	\$ 28,900,579	\$ 25,838,860

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 8% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7%) or 1 percentage point higher (9%) than the current rate:

	1% Decrease (7%)	Current Healthcare Rate (8%)	1% Increase (9%)
Total OPEB liability	\$ 25,403,296	\$ 28,900,579	\$ 33,175,184

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

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

- h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Village recognized OPEB expense of \$1,368,602. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,676,611	\$ -
Changes in assumptions	3,363,653	840,362
<b>TOTAL</b>	<b>\$ 6,040,264</b>	<b>\$ 840,362</b>

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

<u>Year Ending December 31,</u>	
2020	\$ 923,227
2021	923,227
2022	923,227
2023	923,227
2024	923,227
Thereafter	583,767
<b>TOTAL</b>	<b>\$ 5,199,902</b>

**14. DEFINED BENEFIT PENSION PLANS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org). The Police and Firefighters' Pension Plans do not issue separate reports.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

The table below is a summary for all pension plans as of and for the year ended December 31, 2019:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 10,898,733	\$ 26,745,051	\$ 35,118,223	\$ 72,762,007
Deferred outflows of resources	3,256,636	2,833,397	55,114	6,145,147
Deferred inflows of resources	6,547,366	12,040,425	7,981,829	26,569,620
Pension expense	3,120,847	2,836,184	4,078,836	10,035,867

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

All employees (other than those covered by the Police and Firefighters' Pension Plans) 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.

*Plan Membership*

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	485
Inactive employees entitled to but not yet receiving benefits	209
Active employees	386
<b>TOTAL</b>	<b>1,080</b>

The IMRF data included in the table above includes membership of both the Village and the Arlington Heights Memorial Library (the Library).



**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The required employer contribution for the year ended December 31, 2019 was 10.01% of covered payroll.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2019 was 7.25%. 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 the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$187,287,263	\$156,981,066	\$ 30,306,197
Changes for the period			
Service cost	2,695,223	-	2,695,223
Interest	13,316,051	-	13,316,051
Difference between expected and actual experience	2,419,520	-	2,419,520
Changes in assumptions	-	-	-
Employer contributions	-	2,718,454	(2,718,454)
Employee contributions	-	1,290,982	(1,290,982)
Net investment income	-	29,736,794	(29,736,794)
Benefit payments and refunds	(9,930,417)	(9,930,417)	-
Other (net transfer)	-	231,905	(231,905)
Net changes	8,500,377	24,047,718	(15,547,341)
BALANCES AT DECEMBER 31, 2019	\$195,787,640	\$181,028,784	\$ 14,758,856

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

The table presented on the previous page includes amounts for both the Village and the Library. The Village's collective shares of the net pension liability at January 1, 2019, the employer contributions, and the net pension liability at December 31, 2019 were \$22,379,724, \$2,023,569, and \$10,898,733, respectively. The Library's collective shares of the net pension liability at January 1, 2019, the employer contributions, and the net pension liability at December 31, 2019 were \$7,926,473, \$694,885, and \$3,860,124, respectively.

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2019, the Village recognized pension expense of \$3,120,847.

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,670,097	\$ 13,011
Changes in assumption	1,586,539	814,195
Net difference between projected and actual earnings on pension plan investments	-	5,720,160
<b>TOTAL</b>	<b>\$ 3,256,636</b>	<b>\$ 6,547,366</b>

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

<u>Year Ending December 31,</u>	
2020	\$ (674,713)
2021	(655,512)
2022	780,916
2023	(2,741,421)
<b>TOTAL</b>	<b>\$ (3,290,730)</b>

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset) (Village)	\$ 28,293,141	\$ 10,898,733	\$ (3,517,532)
Net pension liability (asset) (Library)	10,020,890	3,860,123	(1,245,843)
Net pension liability (asset) (Total)	<u>\$ 38,314,031</u>	<u>\$ 14,758,856</u>	<u>\$ (4,763,375)</u>

Police Pension Plan

*Plan Administration*

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

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries, and two members are elected by active police employees.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At December 31, 2019, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	111
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>107</u>
 TOTAL	 <u><u>225</u></u>

*Benefits Provided*

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% 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 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.

Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2019, the Village's contribution was 35.50% of covered payroll.

*Investment Policy*

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The investment policy was not modified during the year ended December 31, 2019.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

The Fund's investment policy, in accordance with 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%

The overall target for the Fund is approximately 35% invested in fixed income securities and 65% invested in equity securities. The long-term expected real rates of return are net of a 2.50% factor for inflation and investment expense. ILCS limits 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, 2019, are listed in the table above.

*Investment Concentrations*

There are no significant investments (other than U.S. agency securities in any one organization that represent 5% or more of the Fund's investments).



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

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Rate of Return*

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 18,545,558	\$ 5,628,331	\$ 6,387,405	\$ 6,529,822	\$ -
U.S. agency obligations	1,857,370	-	541,077	1,143,249	173,044
Negotiable CD	250,356	250,356	-	-	-
Corporate bonds	18,615,401	649,889	10,948,931	6,854,800	161,781
CMOs/asset backed securities	5,927,034	-	619,054	3,324,834	1,983,146
Municipal bonds	1,674,304	106,535	679,874	520,402	367,493
<b>TOTAL</b>	<b>\$ 46,870,023</b>	<b>\$ 6,635,111</b>	<b>\$ 19,176,341</b>	<b>\$ 18,373,107</b>	<b>\$ 2,685,464</b>

The Fund has the following recurring fair value measurements as of December 31, 2019: the U.S. agency obligations, negotiable CD, corporate bonds, CMOs/asset backed securities, real estate investment trusts, and corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). The U.S. Treasury obligations, equities, and mutual funds use Level 1 inputs.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk (Continued)*

cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The Fund limits its exposure to credit risk by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. The Illinois Funds are rated AAA. The U.S. agency obligations range in rating from AA+ to not rated by Standard and Poor's. The municipal bonds and corporate bonds range in rating from AA+ to not rated by Standard and Poor's.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party.

To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2019 was 6.75%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$167,769,855	\$123,766,363	\$ 44,003,492
Changes for the period			
Service cost	3,057,662	-	3,057,662
Interest	11,029,626	-	11,029,626
Difference between expected and actual experience	1,459,100	-	1,459,100
Changes in assumptions	(107,864)	-	(107,864)
Changes in benefit terms	(15,185)	-	(15,185)
Employer contributions	-	5,267,000	(5,267,000)
Employee contributions	-	1,304,981	(1,304,981)
Other contributions	-	5,650	(5,650)
Net investment income	-	26,104,148	(26,104,148)
Benefit payments and refunds	(8,064,669)	(8,064,669)	-
Administrative expense	(37,166)	(37,166)	-
Net changes	7,321,504	24,579,944	(17,258,440)
BALANCES AT DECEMBER 31, 2019	\$175,091,359	\$148,346,307	\$ 26,745,052

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability (Continued)*

There were changes with respect to actuarial assumptions in the current year related to the mortality improvement rates.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Interest rate	6.75%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Market

Mortality assumptions were based upon the RP2014 base rates with blue collar adjustment projected to 2020 with scale MP2019.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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 net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 50,403,071	\$ 26,745,052	\$ 7,260,837

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2019, the Village recognized pension expense of \$2,836,185. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,375,762	\$ 2,637,103
Changes in assumptions	1,457,635	380,791
Net difference between projected and actual earnings on pension plan investments	-	9,022,531
TOTAL	\$ 2,833,397	\$ 12,040,425

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

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

<u>Year Ending December 31,</u>	
2020	\$ (2,637,812)
2021	(2,629,165)
2022	(655,395)
2023	(3,301,907)
2024	17,251
Thereafter	<u>-</u>
<b>TOTAL</b>	<b><u><u>\$ (9,207,028)</u></u></b>

Firefighters' Pension Plan

*Plan Administration*

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries, and two members are elected by active firefighter employees.

*Plan Membership*

At December 31, 2019, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	106
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>103</u>
<b>TOTAL</b>	<b><u><u>214</u></u></b>

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided*

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or 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.

Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*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 fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2019, the Village's contribution was 43.90% of covered payroll.

*Investment Policy*

Permitted Deposits and Investments - Statutes and the Firefighters' Pension Fund's (the Fund) investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, and corporate equity securities. The investment policy was modified during the year ended December 31, 2019 to update target asset allocations.



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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Fixed income	27.00% to 37.00%	32.00%	1.30%
US equities	22.00% to 38.00%	30.00%	5.50%
International equities	14.50% to 30.50%	22.50%	6.10%
Real estate	7.50% to 15.00%	12.50%	4.00%
Cash and cash equivalents	0.00% to 5.00%	3.00%	0.00%

The long-term expected real rates of return are net of a 2% factor for inflation and investment expense. ILCS limits 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, 2019, are listed in the table above.

*Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Rate of Return*

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 8,655,531	\$ 1,060,136	\$ 3,096,112	\$ 4,499,283	\$ -
U.S. agency obligations	7,768,201	-	2,260,532	2,932,603	2,575,066
Corporate bonds	17,434,229	1,203,915	12,361,468	3,868,846	-
Municipal bonds	1,857,364	934,887	922,477	-	-
<b>TOTAL</b>	<b>\$ 35,715,325</b>	<b>\$ 3,198,938</b>	<b>\$ 18,640,589</b>	<b>\$ 11,300,732</b>	<b>\$ 2,575,066</b>

The Fund has the following recurring fair value measurements as of December 31, 2019: the U.S. agency obligations, corporate bonds, real estate investment trusts, and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The U.S. Treasury obligations, equities and real estate investment trust use Level 1 inputs.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy requires that the average duration of the portfolio may not vary more than +/- 20% of the duration of the indexes noted in the investment policy.

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Credit Risk*

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Fund's investment policy does not address the management of credit risk other than to limit investments to those allowed by state statutes. The Fund limits its exposure to credit risk, by primarily investing in U.S. Treasury obligations and other obligations which are rated in the top three classes by a national rating agency. The money market mutual funds are not rated. The U.S. agency obligations are rated AA+ by Standard and Poor's. The municipal bonds range in rating from AA+ AA- by Standard & Poor's and Aa2 to Aa3 by Moody's, and the corporate bonds range in rating from AAA to BBB- by Standard and Poor's.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be held by a separate custodian in accordance with all of the provisions of the Illinois Pension Code relating to Custody of Investments (40 ILCS 5/1-113.7).

*Discount Rate*

The discount rate used to measure the total pension liability at December 31, 2019 was 6.75%. 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 the Village contributions will be made at rates equal to the difference between 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 projected future benefit payments of current plan members.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$154,033,679	\$106,729,946	\$ 47,303,733
Changes for the period			
Service cost	3,677,732	-	3,677,732
Interest	10,133,648	-	10,133,648
Difference between expected and actual experience	(1,350,024)	-	(1,350,024)
Changes in assumptions	(113,592)	-	(113,592)
Changes in benefit terms	(140,839)	-	(140,839)
Employer contributions	-	6,203,000	(6,203,000)
Employee contributions	-	1,097,478	(1,097,478)
Other contributions	-	1,299	(1,299)
Net investment income	-	17,090,656	(17,090,656)
Benefit payments and refunds	(7,210,277)	(7,210,277)	-
Administrative expense	(28,405)	(28,405)	-
Net changes	4,968,243	17,153,751	(12,185,508)
BALANCES AT DECEMBER 31, 2019	\$159,001,922	\$123,883,697	\$ 35,118,225

There were changes with respect to actuarial assumptions in the current year related to the high-quality 20-year tax-exempt general obligation bond rate, as well as assumption changes to mortality improvement rates.

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Interest rate	6.75%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Market

Mortality assumptions were based upon the RP2014 base rates with blue collar adjustment projected to 2020 with scale MP2019.

*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 net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	\$ 55,953,159	\$ 35,118,225	\$ 17,858,001

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

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**14. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources*

For the year ended December 31, 2019, the Village recognized pension expense of \$4,078,836. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 129	\$ 2,945,136
Changes in assumption	54,985	1,157,255
Net difference between projected and actual earnings on pension plan investments	-	3,879,438
<b>TOTAL</b>	<b>\$ 55,114</b>	<b>\$ 7,981,829</b>

Changes in the net pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

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

<u>Year Ending December 31,</u>	
2020	\$ (2,676,931)
2021	(2,367,108)
2022	(495,777)
2023	(2,386,899)
2024	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (7,926,715)</b>

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

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

b. Fiduciary Funds Summary Financial Information

The following is summary financial information for the Police Pension Plan and the Firefighters' Pension Plan.

Statement of Net Position

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,253,905	\$ 5,314,437	\$ 9,568,342
Investments			
U.S. Government and			
U.S. agency obligations	20,402,928	16,423,732	36,826,660
Equity securities	50,855,945	65,971,504	116,827,449
Negotiable certificate of			
deposit	250,365	-	250,365
REIT	871,891	15,248,702	16,120,593
Mutual funds	43,859,619	-	43,859,619
CMOs/asset backed securities	5,927,034	-	5,927,034
Corporate bonds	18,615,401	17,434,229	36,049,630
Municipal bonds	1,674,304	1,857,364	3,531,668
Receivables			
Accrued interest	309,945	242,747	552,692
Due from Village	1,346,620	1,375,976	2,722,596
Other	605	648	1,253
Prepays	-	15,000	15,000
Total assets	148,368,553	123,884,339	272,252,892
<b>LIABILITIES</b>			
Accounts payable	-	332	332
Due to other governments	1,246	310	1,556
Other payables	21,000	-	21,000
Total liabilities	22,246	642	22,888
NET POSITION	\$ 148,346,307	\$ 123,883,697	\$ 272,230,004

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

**14. DEFINED BENEFIT PENSION PLANS (Continued)**

b. Fiduciary Funds Summary Financial Information (Continued)

Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,267,000	\$ 6,203,000	\$ 11,470,000
Employee	1,304,981	1,097,478	2,402,459
Other	5,650	1,299	6,949
Total contributions	6,577,631	4,020,773	13,879,408
Invest income			
Net appreciation in fair value of investments	23,962,559	14,962,233	38,924,792
Interest income	2,509,080	2,341,241	4,850,321
Less investment expense	(367,491)	(212,818)	(580,309)
Net investment income	26,104,148	17,090,656	43,194,804
Total additions	32,681,779	24,392,433	57,074,212
<b>DEDUCTIONS</b>			
Administrative	37,166	28,405	65,571
Pension benefits and refunds	8,094,669	7,210,277	15,274,946
Total deductions	8,101,835	7,238,682	15,340,517
<b>NET INCREASE</b>	24,579,944	17,153,751	41,733,695
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	123,766,363	106,729,946	230,496,309
December 31	\$ 148,346,307	\$ 123,883,697	\$ 272,230,004



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

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**15. SUBSEQUENT EVENTS**

Police and Firefighters' Pension Plans

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Police and Firefighter's Pension Plans have experienced significant declines in quoted prices on active markets. Management of the Police and Firefighters' Pension Plans are carefully monitoring the situation and evaluating options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

**16. PRIOR PERIOD ADJUSTMENT**

Change in Reporting Entity

Prior to January 1, 2019, the Arlington Heights Memorial Library (the Library) was presented as a discretely presented component unit of the Village. Net position of the Library at January 1, 2019 was restated to \$0 to show the reporting entity change, as the Library is not considered to meet the definition of a discretely presented component unit of the Village in accordance with GASB Statement No. 61.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 24,544,000	\$ 24,544,000	\$ 23,999,484	\$ 23,245,729
Other taxes	16,334,000	16,334,000	16,228,575	16,450,033
Licenses and permits	3,833,500	3,833,500	4,834,759	4,314,641
Intergovernmental	22,460,400	22,460,400	23,919,629	22,570,470
Grants	158,000	247,800	313,644	255,066
Charges for services	8,000	8,000	34,376	29,168
Fines and fees	5,837,100	5,837,100	5,886,632	5,679,176
Investment income	150,000	150,000	710,851	503,650
Miscellaneous	536,400	458,400	633,381	680,090
Total revenues	73,861,400	73,873,200	76,561,331	73,728,023
<b>EXPENDITURES</b>				
Current				
General government	4,897,200	4,897,200	4,946,789	4,582,166
Public safety	49,588,709	49,588,709	51,411,155	50,244,269
Highways and streets	13,101,779	13,101,779	12,754,757	10,270,041
Community development	4,412,921	4,412,921	4,247,624	6,111,364
Health and welfare	2,302,737	2,302,737	2,228,965	2,167,184
Total expenditures	74,303,346	74,303,346	75,589,290	73,375,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(441,946)	(430,146)	972,041	352,999
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,000	200,000	200,000	200,000
Transfers (out)	(452,700)	(452,700)	(998,552)	(495,012)
Total other financing sources (uses)	(252,700)	(252,700)	(798,552)	(295,012)
NET CHANGE IN FUND BALANCE	<u>\$ (694,646)</u>	<u>\$ (682,846)</u>	173,489	57,987
FUND BALANCE, JANUARY 1			30,705,240	30,647,253
FUND BALANCE, DECEMBER 31			<u>\$ 30,878,729</u>	<u>\$ 30,705,240</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINIS MUNICIPAL RETIREMENT FUND**

Last Five Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>	<b>2019</b>
Actuarially determined contribution	\$ 3,159,698	\$ 3,257,572	\$ 3,170,250	\$ 2,473,709	\$ 2,023,617
Contributions in relation to the actuarially determined contribution	3,168,474	3,257,572	3,170,250	2,477,778	2,023,617
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (8,776)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,069)</b>	<b>\$ -</b>
Covered payroll	\$ 24,380,386	\$ 24,924,034	\$ 25,690,842	\$ 19,447,399	\$ 20,215,955
Contributions as a percentage of covered payroll	13.00%	13.07%	12.34%	12.74%	10.01%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.25% compounded annually.

\*Beginning December 31, 2018, the information above is presented for the Village only. Prior years include Library information.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
Actuarially determined contribution	\$ 3,679,006	\$ 4,288,185	\$ 4,136,305	\$ 4,222,683	\$ 4,432,000	\$ 2,779,725	\$ 3,839,961	\$ 3,878,094	\$ 4,016,824	\$ 4,108,483
Contributions in relation to the actuarially determined contribution	3,378,900	4,038,031	4,288,000	4,330,880	4,529,400	4,500,000	4,500,000	3,994,000	3,879,000	4,017,000
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ 300,106</b>	<b>\$ 250,154</b>	<b>\$ (151,695)</b>	<b>\$ (108,197)</b>	<b>\$ (97,400)</b>	<b>\$ (1,720,275)</b>	<b>\$ (660,039)</b>	<b>\$ (115,906)</b>	<b>\$ 137,824</b>	<b>\$ 91,483</b>
Additional contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,250,000
Covered payroll	\$ 9,828,699	\$ 9,542,237	\$ 10,067,341	\$ 9,938,967	\$ 9,938,967	\$ 10,381,979	\$ 10,722,080	\$ 10,917,682	\$ 11,153,797	\$ 11,316,038
Contributions as a percentage of covered payroll	34.38%	42.32%	42.59%	43.57%	45.57%	43.34%	41.97%	36.58%	34.78%	35.50%
Notes to the required supplementary information										
Actuarial cost method	Entry-age normal									
Amortization method	Level % of pay (closed)									
Remaining amortization period	22 years									
Asset valuation method	Three-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									

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
Actuarially determined contribution	\$ 4,175,702	\$ 4,574,540	\$ 4,588,979	\$ 4,771,232	\$ 5,055,378	\$ 3,235,984	\$ 4,734,724	\$ 4,852,647	\$ 4,952,007	\$ 5,030,110
Contributions in relation to the actuarially determined contribution	3,948,000	4,470,608	4,566,780	4,701,000	5,007,300	5,057,400	5,100,000	4,889,000	4,853,000	4,953,000
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ 227,702</b>	<b>\$ 103,932</b>	<b>\$ 22,199</b>	<b>\$ 70,232</b>	<b>\$ 48,078</b>	<b>\$ (1,821,416)</b>	<b>\$ (365,276)</b>	<b>\$ (36,353)</b>	<b>\$ 99,007</b>	<b>\$ 77,110</b>
Additional contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,250,000
Covered payroll	\$ 8,989,722	\$ 9,356,784	\$ 9,774,546	\$ 10,022,659	\$ 10,022,659	\$ 10,617,314	\$ 10,623,394	\$ 10,874,876	\$ 11,626,566	\$ 11,281,241
Contributions as a percentage of covered payroll	43.92%	47.78%	46.72%	46.90%	49.96%	47.63%	48.01%	44.96%	41.74%	43.90%
Notes to the required supplementary information										
Actuarial cost method	Entry-age normal									
Amortization method	Level % of pay (closed)									
Remaining amortization period	22 years									
Asset valuation method	Three-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									

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND**

Last Six Fiscal Years

<b>MEASUREMENT DATE</b>	<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 3,248,450	\$ 1,989,231	\$ 2,940,458	\$ 2,941,583	\$ 2,931,782	\$ 3,057,662
Interest	9,147,568	6,520,521	9,907,311	10,273,549	10,728,873	11,029,626
Changes in benefit terms	-	-	-	-	-	(15,185)
Differences between expected and actual experience	325,542	(1,044,681)	(1,217,235)	495,807	(3,899,982)	1,459,100
Changes of assumptions	3,089,627	-	236,267	(712,451)	2,333,982	(107,865)
Benefit payments, including refunds and member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)
Administrative expense	-	-	-	-	-	(37,166)
Net change in total pension liability	10,389,616	3,629,697	5,813,055	6,391,367	4,957,774	7,321,503
Total pension liability - beginning	136,588,346	146,977,962	150,607,659	156,420,714	162,812,081	167,769,855
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 146,977,962</b>	<b>\$ 150,607,659</b>	<b>\$ 156,420,714</b>	<b>\$ 162,812,081</b>	<b>\$ 167,769,855</b>	<b>\$ 175,091,358</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 4,529,400	\$ 4,500,000	\$ 4,500,000	\$ 3,994,000	\$ 5,379,000	\$ 5,267,000
Contributions - member	986,380	691,981	1,036,023	1,151,412	1,144,554	1,304,981
Contributions - other	276,199	4,776	355,856	1,127	11,828	5,650
Net investment income	7,837,174	(1,016,522)	6,685,207	17,098,096	(6,034,752)	26,104,148
Benefit payments, including refunds of member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)
Administrative expense	(32,090)	(27,218)	(37,365)	(43,276)	(34,640)	(37,166)
Net change in plan fiduciary net position	8,175,492	317,643	6,485,975	15,594,238	(6,670,891)	24,579,944
Plan fiduciary net position - beginning	99,863,906	108,039,398	108,357,041	114,843,016	130,437,254	123,766,363
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 108,039,398</b>	<b>\$ 108,357,041</b>	<b>\$ 114,843,016</b>	<b>\$ 130,437,254</b>	<b>\$ 123,766,363</b>	<b>\$ 148,346,307</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 38,938,564</b>	<b>\$ 42,250,618</b>	<b>\$ 41,577,698</b>	<b>\$ 32,374,827</b>	<b>\$ 44,003,492</b>	<b>\$ 26,745,051</b>
Plan fiduciary net position as a percentage of the total pension liability	73.51%	71.95%	73.42%	80.12%	73.77%	84.73%
Covered payroll	\$ 9,938,967	\$ 10,381,979	\$ 10,722,080	\$ 10,917,682	\$ 11,153,797	\$ 11,316,038
Employer's net pension liability as a percentage of covered payroll	391.80%	407.00%	387.80%	296.50%	394.50%	236.30%

Notes to Required Supplementary Information

**Year Ended December 31, 2019** - There were change in the long-term municipal bond rate from the prior year. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

**Year Ended December 31, 2018** - There were change in the long-term municipal bond rate from the prior year.

**Year Ended December 31, 2017** - There were change in the retirement rates and termination rates.

**Year Ended December 31, 2016** - Change in assumptions related to marital status rates and termination rates.

**Year Ended April 30, 2015** - There were change in the actuarial cost method from projected unit credit to entry age normal.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND**

Last Six Fiscal Years

<b>MEASUREMENT DATE</b>	<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 3,320,273	\$ 2,190,940	\$ 3,459,315	\$ 3,419,246	\$ 3,524,860	\$ 3,677,732
Investment income	8,688,821	6,058,901	9,234,329	9,618,402	9,793,838	10,133,648
Changes in benefit terms	-	-	-	-	-	(140,839)
Differences between expected and actual experience	(1,433,511)	1,574	(1,336,382)	(2,422,578)	(843,543)	(1,350,024)
Changes of assumptions	2,059,344	-	228,889	(1,287,282)	(832,861)	(113,594)
Benefit payments, including refunds and member contributions	(5,795,896)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)
Administrative expense	-	-	-	-	-	(28,405)
Net change in total pension liability	6,839,031	4,304,996	5,363,456	2,775,236	4,810,079	4,968,241
Total pension liability - beginning	129,940,881	136,779,912	141,084,908	146,448,364	149,223,600	154,033,679
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 136,779,912</b>	<b>\$ 141,084,908</b>	<b>\$ 146,448,364</b>	<b>\$ 149,223,600</b>	<b>\$ 154,033,679</b>	<b>\$ 159,001,920</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - employer	\$ 5,007,300	\$ 5,057,400	\$ 5,100,000	\$ 4,889,000	\$ 6,353,000	\$ 6,203,000
Contributions - member	967,685	689,993	989,862	1,021,422	1,065,390	1,097,478
Contributions - other	1,451	21,628	20	5,406	641	1,299
Net investment income	6,263,908	(2,559,246)	6,915,387	12,680,482	(3,662,611)	17,090,656
Benefit payments, including refunds of member contributions	(5,795,897)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)
Administrative expense	(35,679)	(62,395)	(62,158)	(27,283)	(28,953)	(28,405)
Net change in plan fiduciary net position	6,408,768	(799,039)	6,720,416	12,016,475	(3,104,748)	17,153,751
Plan fiduciary net position - beginning	85,488,074	91,896,842	91,097,803	97,818,219	109,834,694	106,729,946
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 91,896,842</b>	<b>\$ 91,097,803</b>	<b>\$ 97,818,219</b>	<b>\$ 109,834,694</b>	<b>\$ 106,729,946</b>	<b>\$ 123,883,697</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 44,883,070</b>	<b>\$ 49,987,105</b>	<b>\$ 48,630,145</b>	<b>\$ 39,388,906</b>	<b>\$ 47,303,733</b>	<b>\$ 35,118,223</b>
Plan fiduciary net position as a percentage of the total pension liability	67.19%	64.57%	66.79%	73.60%	69.29%	77.91%
Covered payroll	\$ 10,022,659	\$ 10,617,314	\$ 10,623,394	\$ 10,874,876	\$ 11,626,566	\$ 11,281,241
Employer's net pension liability as a percentage of cover	447.80%	470.80%	457.80%	362.20%	406.90%	311.30%

Notes to Required Supplementary Information

**Year Ended December 31, 2019** - There were change in the long-term municipal bond rate from the prior year. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

**Year Ended December 31, 2018** - There were change in the long-term municipal bond rate from the prior year.

**Year Ended December 31, 2017** - There were change in the retirement rates and termination rates.

**Year Ended December 31, 2016** - Change in assumptions related to marital status rates and termination rates.

**Year Ended April 30, 2015** - There were change in the actuarial cost method from projected unit credit to entry age normal.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

Through December 31, 2018

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	2,640,660	2,639,543	2,700,511	2,526,777
Investment income	11,869,027	12,281,628	12,858,220	12,874,611
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(648,919)	1,640,544	(92,058)	1,256,791
Changes of assumptions	395,156	(611,951)	(5,760,640)	5,048,651
Benefit payments, including refunds and member contributions	(7,881,295)	(8,734,040)	(9,165,978)	(9,635,282)
Net change in total pension liability	6,374,629	7,215,724	540,055	12,071,548
Total pension liability - beginning	161,085,307	167,459,936	174,675,660	175,215,715
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 167,459,936</b>	<b>\$ 174,675,660</b>	<b>\$ 175,215,715</b>	<b>\$ 187,287,263</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 3,168,474	\$ 3,257,572	\$ 3,170,250	\$ 3,355,360
Contributions - member	1,182,657	1,145,096	1,158,454	1,222,046
Net investment income	723,795	9,933,011	26,872,858	(9,519,120)
Benefit payments, including refunds of member contributions	(7,881,295)	(8,734,040)	(9,165,978)	(9,635,282)
Administrative expense	965,299	555,713	(2,743,611)	1,425,713
Net change in plan fiduciary net position	(1,841,070)	6,157,352	19,291,973	(13,151,283)
Plan fiduciary net position - beginning	146,524,094	144,683,024	150,840,376	170,132,349
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 144,683,024</b>	<b>\$ 150,840,376</b>	<b>\$ 170,132,349</b>	<b>\$ 156,981,066</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 22,776,912</b>	<b>\$ 23,835,284</b>	<b>\$ 5,083,366</b>	<b>\$ 30,306,197</b>
Plan fiduciary net position as a percentage of the total pension liability	86.40%	86.35%	97.10%	83.82%
Covered payroll	\$ 24,380,386	\$ 24,924,034	\$ 25,688,842	\$ 26,335,298
Employer's net pension liability as a percentage of covered payroll	93.40%	95.60%	19.80%	115.10%
Notes to Required Supplementary Information				

**Measurement Date December 31, 2018** - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.25%.

**Measurement Date December 31, 2017** - There was a change with respect to actuarial assumptions. Certain demographic assumptions were changed, which impacted mortality rates, mortality improvement rates, retirement rates, disability rates and termination rates.

**Measurement Date December 31, 2016** - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.50%.

**Measurement Date December 31, 2015** - There was a change with respect to actuarial assumptions related to the assumed rate on the discount rate. The rate was changed to 7.46%.

Beginning January 1, 2019, the Library is no longer presented as a component unit in accordance with GASBS No. 61, and IMRF is reported as a cost-sharing plan. The information above includes the Library.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF THE VILLAGE'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
ILLINOIS MUNICIPAL RETIREMENT FUND**

December 31, 2019

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Employer's proportion of net pension liability	74.44%	74.44%	74.44%	74.44%	74.44%
Employer's proportionate share of net pension liability	16,955,133	17,742,985	3,784,058	22,559,933	\$ 10,898,733
Employer's covered payroll	18,148,759	18,553,451	19,122,774	19,603,996	20,215,955
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	93.42%	95.63%	19.79%	115.08%	53.91%
Plan fiduciary net position as a percentage of the total pension liability	86.40%	86.35%	97.10%	83.82%	92.46%

Prior to 2019, the Library was presented as a component unit of the Village. Beginning January 1, 2019, IMRF is presented as a cost-sharing plan with the Library. Information above for 2015 through 2018 is estimated based on allocation used in 2019.

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTRETIREMENT BENEFIT PLAN**

Last Two Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2018</b>	<b>2019</b>
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 650,191	\$ 570,040
Interest	726,304	983,165
Changes in assumptions	(1,191,261)	3,921,667
Differences between expected and actual experience	3,749,195	-
Implicit benefit payments	(1,028,719)	(1,107,830)
Net change in total OPEB liability	2,905,710	4,367,042
Total OPEB liability - beginning	21,627,827	24,533,537
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b>\$ 24,533,537</b>	<b>\$ 28,900,579</b>
Covered payroll	\$ 44,727,544	\$ 41,876,464
Employer's total OPEB liability as a percentage of covered payroll	54.85%	69.01%

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

There was a change in assumptions related to the discount rate in 2019.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Six Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
Annual money-weighted rate of return, net of investment expense	8.06%	(4.74)%	6.28%	14.90%	(5.03)%	21.27%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS' PENSION FUND**

Last Six Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
Annual money-weighted rate of return, net of investment expense	11.52%	(2.50)%	7.70%	13.24%	(3.35)%	16.55%

Ultimately, this schedule should present return information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2019

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### **1. BUDGETS**

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 1 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 of Trustees 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 (CDBG) funds).

At the first Village Board of Trustees 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.

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 GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Pension Trust funds. No budget was adopted for the TIF III Special Tax Allocation Fund. All annual appropriations lapse at fiscal year end.

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

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

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

Fund	Expenditures	Budget	Excess
General	\$ 75,589,290	\$ 74,303,346	\$ 1,285,944

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**



## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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

### **DEBT SERVICE FUND**

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

### **CAPITAL PROJECTS FUND**

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

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

GENERAL FUND

BALANCE SHEET

December 31, 2019  
(with comparative actual)

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and investments	\$ 31,469,850	\$ 31,018,512
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	24,973,597	24,789,440
Other taxes	6,502,539	6,249,538
Accrued interest	162,621	36,297
Other	1,098,356	1,245,009
Due from other funds	200,002	186,002
Due from fiduciary funds	1,556	-
Prepaid items	218,643	270,554
Inventory	67,057	75,003
<b>TOTAL ASSETS</b>	<b>\$ 64,694,221</b>	<b>\$ 63,870,355</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 2,469,455	\$ 1,846,932
Accrued payroll	1,210,474	1,072,600
Deposits payable	1,929,555	1,834,422
Due to other funds	509,815	3,617,522
Due to fiduciary funds	2,722,596	-
Unearned revenue	-	4,199
Total liabilities	8,841,895	8,375,675
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	24,973,597	24,789,440
Total deferred inflows of resources	24,973,597	24,789,440
Total liabilities and deferred inflows of resources	33,815,492	33,165,115
<b>FUND BALANCES</b>		
Nonspendable		
Prepaid items	218,643	270,554
Inventory	67,057	75,003
Unrestricted		
Assigned		
Affordable housing	-	188,873
Disabled citizens programs	4,387	5,983
Emergency assistance programs	234,442	214,147
Senior center maintenance	442,000	425,000
Canine unit donation	127,793	127,793
Zero interest loan	-	243,785
Unassigned	29,784,407	29,154,102
Total fund balances	30,878,729	30,705,240
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 64,694,221</b>	<b>\$ 63,870,355</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>TAXES</b>				
Property taxes	\$ 24,544,000	\$ 24,544,000	\$ 23,999,484	\$ 23,245,729
Other taxes				
Hotel tax	1,060,000	1,060,000	1,109,349	1,078,944
Food/beverage tax	2,068,000	2,068,000	2,079,454	2,076,857
Sales tax - home rule	5,345,300	5,345,300	5,401,119	5,366,766
Telecommunications tax	2,503,700	2,503,700	2,356,604	2,437,145
Natural gas utility tax	2,200,000	2,200,000	2,319,957	2,330,903
Electric utility tax	3,100,000	3,100,000	2,900,788	3,086,808
Other taxes	57,000	57,000	61,304	72,610
Total other taxes	16,334,000	16,334,000	16,228,575	16,450,033
Total taxes	40,878,000	40,878,000	40,228,059	39,695,762
<b>LICENSES AND PERMITS</b>				
Business licenses	695,000	695,000	637,785	714,343
Liquor licenses	425,000	425,000	409,173	427,380
Vehicle licenses	1,230,000	1,230,000	1,764,964	1,216,877
Dog licenses	62,000	62,000	64,590	62,741
Public chauffeur licenses	1,000	1,000	960	880
Multi-dwelling licenses	75,000	75,000	63,077	68,753
Revenue suspense OL	-	-	37,319	7,889
Building permits	1,000,000	1,000,000	1,393,046	1,503,886
Early start permit	-	-	500	55
Foundation only permit	-	-	300	310
Electrical permits	115,000	115,000	193,132	99,017
Plumbing permits	90,000	90,000	119,065	79,401
Sign permits	10,000	10,000	11,760	13,760
Elevator permits	80,000	80,000	62,468	52,703
Occupancy permits	25,000	25,000	27,330	24,760
Driveway permits	4,000	4,000	3,102	11,425
Air conditioner permits	10,000	10,000	32,893	14,578
Swimming pool permits	1,000	1,000	1,899	3,275
Chimney permits	2,000	2,000	2,520	2,160
Wrecking permits	7,500	7,500	6,828	8,375
Other permits	1,000	1,000	2,048	2,073
Total licenses and permits	3,833,500	3,833,500	4,834,759	4,314,641
<b>INTERGOVERNMENTAL</b>				
Shared income tax	7,281,900	7,281,900	7,993,678	7,192,128
Municipal sales tax	12,667,400	12,667,400	12,914,676	12,787,847
State use tax	2,061,100	2,061,100	2,488,121	2,167,590
Replacement tax	450,000	450,000	523,154	422,905
Total intergovernmental	22,460,400	22,460,400	23,919,629	22,570,470

(This statement is continued on the following pages.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>GRANTS</b>				
Training reimbursement	\$ 20,000	\$ 20,000	\$ 33,582	\$ 19,872
Task force reimbursement	15,000	15,000	41,670	32,494
Counselor in the park	23,000	23,000	23,000	23,000
Other grants	100,000	189,800	215,392	179,700
Total grants	158,000	247,800	313,644	255,066
<b>CHARGES FOR SERVICES</b>				
Escrow deposits	5,000	5,000	23,066	19,522
Guaranteed bonds	3,000	3,000	11,310	9,646
Total charges for services	8,000	8,000	34,376	29,168
<b>FINES AND FEES</b>				
Traffic court fines	280,000	280,000	203,795	218,023
Parking fines	245,000	245,000	204,229	235,281
Compliance ticket fines	6,000	6,000	7,271	6,370
Ordinance ticket fines	50,000	50,000	58,490	73,251
Other fines	5,100	5,100	14,579	2,753
Cable franchise fees	1,600,000	1,600,000	1,444,171	1,479,730
Photocopy fees	-	-	37	-
Special PW detail fees	10,000	10,000	13,635	12,191
Plan commission hearings	18,000	18,000	18,950	26,330
Rezoning fees	10,000	10,000	7,176	9,100
Plan exam fees	90,000	90,000	117,966	104,082
Fire plan examination fees	40,000	40,000	45,276	44,848
Engineering service fees	80,000	80,000	192,235	196,429
Ambulance service fees	2,650,000	2,650,000	2,724,531	2,527,278
Special police detail	225,000	225,000	245,280	223,097
Police counselor fees	325,000	325,000	348,755	311,896
Police records fees	10,000	10,000	15,417	12,096
Special fire detail	45,000	45,000	41,330	48,146
False alarm fees	35,000	35,000	19,750	29,250
Chemical user fees	10,000	10,000	10,380	11,590
DUI administration charges	60,000	60,000	91,200	57,200
Weed cutting fees	3,000	3,000	7,040	7,965
Animal detention fees	-	-	50	125
Other fees	40,000	40,000	55,089	42,145
Total fines and fees	5,837,100	5,837,100	5,886,632	5,679,176
<b>INVESTMENT INCOME</b>	150,000	150,000	710,851	503,650
<b>MISCELLANEOUS</b>				
Damage claims	53,000	53,000	36,665	39,173
Equipment sales	2,000	2,000	6,083	8,451
Scrap sales	1,500	1,500	3,787	3,688
Sale of plans bid specs	1,000	1,000	880	2,180

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>MISCELLANEOUS (Continued)</b>				
Rents and concessions	\$ 34,000	\$ 34,000	\$ 23,912	\$ 27,212
Train station rents	13,000	13,000	13,289	13,985
Traffic signal maintenance	34,000	34,000	33,933	32,704
NWCH in lieu of property taxes	236,800	236,800	236,891	225,611
Senior center donations	5,000	5,000	6,822	7,495
Disabled citizen donations	100	100	1,101	588
Class 6B rebate	78,000	-	-	137,231
Wellness programs	13,000	13,000	6,286	5,957
Wellness home visits	5,000	5,000	2,872	2,770
Affordable housing trust	-	-	-	62,500
Emergency Assistance	20,000	20,000	26,095	23,350
Bad debt recovery	10,000	10,000	15,672	9,373
Other income	30,000	30,000	219,093	77,822
Total miscellaneous	536,400	458,400	633,381	680,090
<b>TOTAL REVENUES</b>	<b>\$ 73,861,400</b>	<b>\$ 73,873,200</b>	<b>\$ 76,561,331</b>	<b>\$ 73,728,023</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>				
Board of Trustees	\$ 174,400	\$ 174,400	\$ 200,485	\$ 185,829
Village Manager	979,800	979,800	972,263	898,685
Human resources	403,500	403,500	405,787	396,939
Legal	784,000	784,000	814,500	733,507
Finance	2,387,800	2,387,800	2,394,919	2,191,670
Boards and commissions	167,700	167,700	158,835	175,536
Total general government	4,897,200	4,897,200	4,946,789	4,582,166
<b>PUBLIC SAFETY</b>				
Police	26,603,907	26,603,907	27,073,223	26,448,393
Fire	22,984,802	22,984,802	24,337,932	23,795,876
Total public safety	49,588,709	49,588,709	51,411,155	50,244,269
<b>HIGHWAYS AND STREETS</b>				
Public works	13,101,779	13,101,779	12,754,757	10,270,041
<b>COMMUNITY DEVELOPMENT</b>				
Planning and community development	1,745,121	1,745,121	1,627,866	1,761,600
Building	2,667,800	2,667,800	2,619,758	2,500,774
Engineering	-	-	-	1,848,990
Total community development	4,412,921	4,412,921	4,247,624	6,111,364
<b>HEALTH AND WELFARE</b>				
Senior services	115,037	115,037	102,320	530,149
Health services	2,187,700	2,187,700	2,126,645	1,637,035
Total health and welfare	2,302,737	2,302,737	2,228,965	2,167,184
<b>TOTAL EXPENDITURES</b>	<b>\$ 74,303,346</b>	<b>\$ 74,303,346</b>	<b>\$ 75,589,290</b>	<b>\$ 73,375,024</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>				
Board of Trustees				
Salaries	\$ 30,900	\$ 30,900	\$ 30,666	\$ 30,900
Fringe benefits	3,300	3,300	3,298	3,545
Contractual services	138,800	138,800	165,073	151,384
Commodities	1,400	1,400	1,448	-
Total board of trustees	174,400	174,400	200,485	185,829
Integrated services				
Salaries	679,100	679,100	685,542	617,333
Fringe benefits	208,900	208,900	208,503	206,824
Contractual services	84,000	84,000	71,911	68,720
Commodities	7,800	7,800	6,307	5,808
Total integrated services	979,800	979,800	972,263	898,685
Human resources				
Salaries	231,700	231,700	237,372	224,942
Fringe benefits	91,800	91,800	92,769	92,837
Contractual services	54,700	54,700	57,075	56,106
Commodities	2,700	2,700	2,332	3,898
Other charges	22,600	22,600	16,239	19,156
Total human resources	403,500	403,500	405,787	396,939
Legal				
Salaries	379,900	379,900	371,525	370,291
Fringe benefits	128,600	128,600	127,300	131,701
Contractual services	264,200	264,200	305,971	223,331
Commodities	11,300	11,300	9,704	8,184
Total legal	784,000	784,000	814,500	733,507
Finance				
Salaries	978,100	978,100	953,892	945,697
Fringe benefits	351,400	351,400	346,507	347,450
Contractual services	357,100	357,100	350,346	330,030
Commodities	31,700	31,700	35,411	24,407
Other charges	669,500	669,500	708,763	544,086
Total finance	2,387,800	2,387,800	2,394,919	2,191,670
Boards and commissions				
Salaries	10,100	10,100	4,487	5,523
Fringe benefits	1,300	1,300	342	423
Contractual services	126,100	126,100	138,940	152,253
Commodities	2,700	2,700	2,236	2,067
Other charges	27,500	27,500	12,830	15,270
Total boards and commissions	167,700	167,700	158,835	175,536
Total general government	4,897,200	4,897,200	4,946,789	4,582,166

(This statement is continued on the following pages.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>PUBLIC SAFETY</b>				
Police				
Salaries	\$ 15,291,700	\$ 15,291,700	\$ 14,720,961	\$ 14,372,269
Salaries - police grant				
Fringe benefits	7,944,500	7,944,500	9,157,760	8,994,950
Contractual services	2,793,415	2,793,415	2,698,114	2,592,166
Commodities	574,292	574,292	496,388	488,979
Fringe benefits - police grant	-	-	-	29
Total police	<u>26,603,907</u>	<u>26,603,907</u>	<u>27,073,223</u>	<u>26,448,393</u>
Fire				
Salaries	12,547,800	12,547,800	12,791,312	12,202,209
Fringe benefits	8,195,900	8,195,900	9,444,461	9,415,733
Contractual services	1,840,550	1,840,550	1,783,612	1,822,723
Commodities	400,552	400,552	318,547	355,211
Total fire	<u>22,984,802</u>	<u>22,984,802</u>	<u>24,337,932</u>	<u>23,795,876</u>
Total public safety	<u>49,588,709</u>	<u>49,588,709</u>	<u>51,411,155</u>	<u>50,244,269</u>
<b>HIGHWAYS AND STREETS</b>				
Public works				
Salaries	5,688,000	5,688,000	5,559,704	4,316,235
Fringe benefits	2,455,100	2,455,100	2,426,121	1,931,949
Contractual services	3,445,422	3,445,422	3,264,390	2,839,732
Commodities	1,513,257	1,513,257	1,504,542	1,182,125
Total highways and streets	<u>13,101,779</u>	<u>13,101,779</u>	<u>12,754,757</u>	<u>10,270,041</u>
<b>COMMUNITY DEVELOPMENT</b>				
Planning and community development				
Salaries	1,051,400	1,051,400	1,053,901	1,031,734
Fringe benefits	394,800	394,800	393,962	402,150
Contractual services	117,800	117,800	94,580	98,815
Commodities	24,110	24,110	10,762	18,578
Other charges	157,011	157,011	74,661	210,323
Total planning and community development	<u>1,745,121</u>	<u>1,745,121</u>	<u>1,627,866</u>	<u>1,761,600</u>
Building services				
Salaries	1,683,200	1,683,200	1,585,141	1,552,491
Fringe benefits	618,100	618,100	605,468	618,712
Contractual services	345,200	345,200	399,192	308,715
Commodities	21,300	21,300	29,957	20,856
Total building services	<u>2,667,800</u>	<u>2,667,800</u>	<u>2,619,758</u>	<u>2,500,774</u>

(This statement is continued on the following page.)



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>COMMUNITY DEVELOPMENT (Continued)</b>				
Engineering				
Salaries	\$ -	\$ -	\$ -	\$ 1,066,070
Fringe benefits	-	-	-	435,816
Contractual services	-	-	-	333,793
Commodities	-	-	-	13,311
Total engineering	-	-	-	1,848,990
Total community development	4,412,921	4,412,921	4,247,624	6,111,364
<b>HEALTH AND WELFARE</b>				
Senior services				
Salaries	-	-	-	319,554
Fringe benefits	-	-	-	109,080
Contractual services	87,200	87,200	82,517	85,586
Commodities	27,837	27,837	19,803	15,929
Total senior services	115,037	115,037	102,320	530,149
Health services				
Salaries	1,382,900	1,382,900	1,360,192	977,191
Fringe benefits	471,600	471,600	475,248	395,847
Contractual services	201,500	201,500	195,623	162,097
Commodities	55,700	55,700	33,332	43,150
Other charges	76,000	76,000	62,250	58,750
Total health services	2,187,700	2,187,700	2,126,645	1,637,035
Total health and welfare	2,302,737	2,302,737	2,228,965	2,167,184
<b>TOTAL EXPENDITURES</b>	<b>\$ 74,303,346</b>	<b>\$ 74,303,346</b>	<b>\$ 75,589,290</b>	<b>\$ 73,375,024</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**DEBT SERVICE FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 6,884,363	\$ 6,884,363	\$ 6,747,697	\$ 6,808,309
Investment income	49,000	49,000	103,952	71,014
Miscellaneous	288,400	288,400	305,108	285,675
Total revenues	7,221,763	7,221,763	7,156,757	7,164,998
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	5,650,000	5,650,000	5,650,000	5,240,000
Interest and fiscal charges	2,220,700	2,115,800	2,110,912	1,932,000
Issuance costs	-	110,300	110,752	-
Total expenditures	7,870,700	7,876,100	7,871,664	7,172,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(648,937)	(654,337)	(714,907)	(7,002)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	-	7,985,000	7,985,000	-
Premium on bonds issued	-	1,516,500	1,516,526	-
Payment to escrow agent	-	(9,493,500)	(9,493,511)	-
Transfers in	691,900	691,900	691,900	736,000
Total other financing sources (uses)	691,900	699,900	699,915	736,000
NET CHANGE IN FUND BALANCE	\$ 42,963	\$ 45,563	(14,992)	728,998
FUND BALANCE, JANUARY 1			2,197,027	1,468,029
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 2,182,035</b>	<b>\$ 2,197,027</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CAPITAL PROJECTS FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes				
Property	\$ 5,400,000	\$ 5,400,000	\$ 5,292,801	\$ 5,242,639
Other	1,803,900	1,803,900	1,800,372	1,788,863
Grants	-	-	31,143	47,004
Investment income	80,000	80,000	273,920	180,183
Miscellaneous	-	-	72,869	503,479
Total revenues	7,283,900	7,283,900	7,471,105	7,762,168
<b>EXPENDITURES</b>				
Capital outlay				
Contractual services	49,800	49,800	28,258	-
Equipment	1,133,200	1,158,461	874,236	555,990
Construction	10,094,300	10,910,628	7,763,008	6,533,747
Total expenditures	11,277,300	12,118,889	8,665,502	7,089,737
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,993,400)	(4,834,989)	(1,194,397)	672,431
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,100,000	1,100,000	1,600,000	300,000
NET CHANGE IN FUND BALANCE	<u>\$ (2,893,400)</u>	<u>\$ (3,734,989)</u>	405,603	972,431
FUND BALANCE, JANUARY 1			10,695,095	9,722,664
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 11,100,698</u>	<u>\$ 10,695,095</u>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

Affordable Housing Fund - to account for the revenues and expenditures restricted for the creation and preservation of Attainable Housing.

Zero Interest Loan Fund - to account for the revenue derived from the Cook County Class 6/7 property tax abatements which are restricted to provide financial assistance to prospective and existing business within the Village of Arlington Heights.

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **SPECIAL REVENUE FUNDS (Continued)**

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

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

TIF III Special Tax Allocation Fund - to account for any expenditures associated with Tax Refunds in the TIF.

### **CAPITAL PROJECTS FUNDS**

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

Public Building Fund - to account for the costs of planning, development and construction of a new Village hall 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**

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2019

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Affordable Housing	Zero Interest Loan	Foreign Fire Insurance
<b>ASSETS</b>					
Cash and investments	\$ 2,576,138	\$ 520	\$ 312,933	\$ 407,319	\$ 507,913
Receivables					
Property taxes	-	-	-	-	-
Other taxes	329,670	-	-	-	-
Accrued interest	-	-	1,591	2,071	2,582
CDBG rehabilitation loans	-	1,990,993	-	-	-
Grants	-	196,959	-	-	-
Other	-	-	-	129,896	-
Due from other funds	-	42,800	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,905,808</b>	<b>\$ 2,231,272</b>	<b>\$ 314,524</b>	<b>\$ 539,286</b>	<b>\$ 510,495</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 32,675	\$ -	\$ -	\$ 85,389
Accrued payroll	-	1,891	-	-	-
Due to other funds	-	200,002	-	-	-
Unearned revenue	-	1,996,704	-	129,896	-
<b>Total liabilities</b>	<b>-</b>	<b>2,231,272</b>	<b>-</b>	<b>129,896</b>	<b>85,389</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>-</b>	<b>2,231,272</b>	<b>-</b>	<b>129,896</b>	<b>85,389</b>
<b>FUND BALANCES</b>					
Restricted					
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	425,106
Highways and streets	2,905,808	-	-	-	-
Community development	-	-	314,524	409,390	-
Stormwater control	-	-	-	-	-
Unrestricted					
Assigned					
Public parking	-	-	-	-	-
Public building	-	-	-	-	-
<b>Total fund balances</b>	<b>2,905,808</b>	<b>-</b>	<b>314,524</b>	<b>409,390</b>	<b>425,106</b>
<b>TOTAL LIABILITIES, DEFERRFED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,905,808</b>	<b>\$ 2,231,272</b>	<b>\$ 314,524</b>	<b>\$ 539,286</b>	<b>\$ 510,495</b>

Special Revenue Funds						Capital Projects			
Criminal Investigations	Municipal Parking Operations	TIF IV	TIF V	Hickory Kensington TIF	TIF III Special Tax Allocation	Stormwater Control	Public Building	Total	
\$ 1,753,127	\$ 5,021,466	\$ 2,808,443	\$ 2,155,388	\$ 1,668,947	\$ 150,000	\$ 9,920,505	\$ 3,738,761	\$ 31,021,460	
-	-	571,800	738,100	558,500	-	-	-	1,868,400	
-	-	-	-	-	-	-	-	329,670	
3,184	21,776	14,183	11,053	8,485	-	50,434	19,007	134,366	
-	-	-	-	-	-	-	-	1,990,993	
-	-	-	-	-	-	-	-	196,959	
500	3,515	-	-	-	-	817,779	-	951,690	
-	9,815	-	-	-	-	500,000	-	552,615	
\$ 1,756,811	\$ 5,056,572	\$ 3,394,426	\$ 2,904,541	\$ 2,235,932	\$ 150,000	\$ 11,288,718	\$ 3,757,768	\$ 37,046,153	
\$ 53,537	\$ 347,855	\$ 1,207	\$ 3,599	\$ -	\$ -	\$ 1,350,540	\$ 672,400	\$ 2,547,202	
-	9,192	-	-	-	-	-	-	11,083	
-	-	-	-	-	-	-	-	200,002	
-	63,645	-	-	-	-	-	-	2,190,245	
53,537	420,692	1,207	3,599	-	-	1,350,540	672,400	4,948,532	
-	-	571,800	738,100	558,500	-	-	-	1,868,400	
-	-	571,800	738,100	558,500	-	-	-	1,868,400	
53,537	420,692	573,007	741,699	558,500	-	1,350,540	672,400	6,816,932	
-	-	-	-	-	-	587,252	2,234,452	2,821,704	
1,703,274	-	-	-	-	-	-	-	2,128,380	
-	-	-	-	-	-	-	-	2,905,808	
-	-	2,821,419	2,162,842	1,677,432	150,000	-	-	7,535,607	
-	-	-	-	-	-	9,350,926	-	9,350,926	
-	4,635,880	-	-	-	-	-	-	4,635,880	
-	-	-	-	-	-	-	850,916	850,916	
1,703,274	4,635,880	2,821,419	2,162,842	1,677,432	150,000	9,938,178	3,085,368	30,229,221	
\$ 1,756,811	\$ 5,056,572	\$ 3,394,426	\$ 2,904,541	\$ 2,235,932	\$ 150,000	\$ 11,288,718	\$ 3,757,768	\$ 37,046,153	

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

For the Year Ended December 31, 2019

	Special Revenue				
	Motor Fuel Tax	Community Development Block Grant	Affordable Housing	Zero Interest Loan	Foreign Fire Insurance
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 134,895
Intergovernmental	2,463,757	-	-	-	-
Grants	-	340,802	-	-	-
Charges for services	-	-	-	209,969	-
Fines and fees	-	-	-	-	-
Investment income	15,286	-	3,101	3,936	9,918
Miscellaneous	-	38,782	122,550	-	855
Total revenues	2,479,043	379,584	125,651	213,905	145,668
<b>EXPENDITURES</b>					
Current					
Public safety	-	-	-	48,300	162,351
Highways and streets	-	-	-	-	-
Community development	-	379,584	-	-	-
Capital outlay	1,873,979	-	-	-	-
Total expenditures	1,873,979	379,584	-	48,300	162,351
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	605,064	-	125,651	165,605	(16,683)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	188,873	243,785	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	188,873	243,785	-
NET CHANGE IN FUND BALANCES	605,064	-	314,524	409,390	(16,683)
FUND BALANCE, JANUARY 1	2,300,744	-	-	-	441,789
<b>FUND BALANCE , DECEMBER 31</b>	<b>\$ 2,905,808</b>	<b>\$ -</b>	<b>\$ 314,524</b>	<b>\$ 409,390</b>	<b>\$ 425,106</b>



Special Revenue					Capital Projects				
Criminal Investigations	Municipal Parking Operations	TIF IV	TIF V	Hickory Kensington TIF	TIF III Special Tax Allocation	Stormwater Control	Public Building	Total	
\$ -	\$ -	\$ 594,782	\$ 722,952	\$ 515,934	\$ -	\$ -	\$ -	\$ 1,968,563	
191,191	-	-	-	-	-	1,970,000	-	4,624,948	
-	-	-	-	-	-	-	-	340,802	
-	1,305,815	-	-	-	-	1,675,263	-	3,191,047	
-	57,470	-	-	-	-	-	-	57,470	
13,757	97,198	60,404	45,805	35,318	-	278,556	68,015	631,294	
5,095	8,828	3,605	3,342	400	-	71,151	198,164	452,772	
210,043	1,469,311	658,791	772,099	551,652	-	3,994,970	266,179	11,266,896	
522,947	-	-	-	-	-	-	-	733,598	
-	1,178,123	-	-	30,000	-	-	-	1,208,123	
-	-	58,789	800	-	-	-	-	439,173	
-	370,384	-	12,809	-	-	8,252,798	84,362	10,594,332	
522,947	1,548,507	58,789	13,609	30,000	-	8,252,798	84,362	12,975,226	
(312,904)	(79,196)	600,002	758,490	521,652	-	(4,257,828)	181,817	(1,708,330)	
-	91	-	-	-	-	-	-	432,749	
-	-	-	-	-	-	(691,900)	(800,000)	(1,491,900)	
-	91	-	-	-	-	(691,900)	(800,000)	(1,059,151)	
(312,904)	(79,105)	600,002	758,490	521,652	-	(4,949,728)	(618,183)	(2,767,481)	
2,016,178	4,714,985	2,221,417	1,404,352	1,155,780	150,000	14,887,906	3,703,551	32,996,702	
\$ 1,703,274	\$ 4,635,880	\$ 2,821,419	\$ 2,162,842	\$ 1,677,432	\$ 150,000	\$ 9,938,178	\$ 3,085,368	\$ 30,229,221	

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**MOTOR FUEL TAX FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental				
Motor fuel tax revenues	\$ 1,900,000	\$ 1,900,000	\$ 2,463,757	\$ 1,922,259
Investment income	4,000	4,000	15,286	10,973
Total revenues	1,904,000	1,904,000	2,479,043	1,933,232
<b>EXPENDITURES</b>				
Capital outlay	1,910,400	1,910,400	1,873,979	1,978,399
Total expenditures	1,910,400	1,910,400	1,873,979	1,978,399
NET CHANGE IN FUND BALANCE	<u>\$ (6,400)</u>	<u>\$ (6,400)</u>	605,064	(45,167)
FUND BALANCE, JANUARY 1			2,300,744	2,345,911
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 2,905,808</u>	<u>\$ 2,300,744</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental				
Federal grants	\$ 420,100	\$ 427,334	\$ 340,802	\$ 236,769
Program income	50,000	50,000	38,782	76,926
Total revenues	470,100	477,334	379,584	313,695
<b>EXPENDITURES</b>				
Current				
Community development				
Planning and community development				
Salaries	68,000	68,000	68,000	59,900
CDBG program				
Other charges	402,100	409,334	311,584	253,795
Total expenditures	470,100	477,334	379,584	313,695
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	<u>\$ -</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**AFFORDABLE HOUSING FUND**

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

For the Year Ended December 31, 2019

	<b>2019</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Investment income	\$ -	\$ -	\$ 3,101
Miscellaneous income	-	100,000	122,550
Total revenues	-	100,000	125,651
<b>EXPENDITURES</b>			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	100,000	125,651
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	188,900	188,873
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 288,900</u>	314,524
FUND BALANCE, JANUARY 1			<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 314,524</u></u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**ZERO INTEREST LOAN FUND**

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

For the Year Ended December 31, 2019

	<b>2019</b>		
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Loan repayments	\$ -	\$ 78,000	\$ 209,969
Investment income	-	-	3,936
Total revenues	-	78,000	213,905
<b>EXPENDITURES</b>			
Current			
General Government			
Integrated services			
Contractual services	-	144,000	48,300
Total expenditures	-	144,000	48,300
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(66,000)	165,605
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	243,800	243,785
Total other financing sources (uses)	-	243,800	243,785
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 177,800</u>	409,390
<b>FUND BALANCE, JANUARY 1</b>			<u>-</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ 409,390</u></u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****FOREIGN FIRE INSURANCE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Foreign fire insurance tax	\$ 130,000	\$ 130,000	\$ 134,895	\$ 129,452
Investment income	2,500	2,500	9,918	6,392
Miscellaneous income	-	-	855	-
Total revenues	132,500	132,500	145,668	135,844
<b>EXPENDITURES</b>				
Current				
Public safety				
Contractual	50,000	50,000	28,970	29,832
Commodities	240,000	240,000	133,381	92,764
Total expenditures	290,000	290,000	162,351	122,596
NET CHANGE IN FUND BALANCE	<u>\$ (157,500)</u>	<u>\$ (157,500)</u>	(16,683)	13,248
FUND BALANCE, JANUARY 1			441,789	428,541
FUND BALANCE, DECEMBER 31			<u>\$ 425,106</u>	<u>\$ 441,789</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CRIMINAL INVESTIGATIONS FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 191,191	\$ 472,597
Investment income	8,700	8,700	13,757	11,066
Miscellaneous income	-	-	5,095	-
Total revenues	103,700	103,700	210,043	483,663
<b>EXPENDITURES</b>				
Current				
Public safety				
Other charges	299,300	525,205	522,947	608,315
Total expenditures	299,300	525,205	522,947	608,315
NET CHANGE IN FUND BALANCE	<u>\$ (195,600)</u>	<u>\$ (421,505)</u>	(312,904)	(124,652)
FUND BALANCE, JANUARY 1			2,016,178	2,140,830
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,703,274</u>	<u>\$ 2,016,178</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**MUNICIPAL PARKING OPERATIONS FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Charges for services	\$ 1,204,000	\$ 1,204,000	\$ 1,305,815	\$ 1,310,526
Fines and forfeitures	90,000	90,000	57,470	89,631
Investment income	42,000	42,000	97,198	63,764
Miscellaneous	-	-	8,828	-
Total revenues	1,336,000	1,336,000	1,469,311	1,463,921
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Personal services	540,100	540,100	471,949	511,015
Contractual services	391,200	400,470	343,911	383,033
Commodities	96,400	96,443	80,563	106,326
Other charges	288,900	288,900	281,700	281,700
Capital outlay	78,000	833,664	370,384	144,098
Total expenditures	1,394,600	2,159,577	1,548,507	1,426,172
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,600)	(823,577)	(79,196)	37,749
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	91	787,981
Total other financing sources (uses)	-	-	91	787,981
NET CHANGE IN FUND BALANCE	\$ (58,600)	\$ (823,577)	(79,105)	825,730
FUND BALANCE, JANUARY 1			4,714,985	3,889,255
FUND BALANCE, DECEMBER 31			\$ 4,635,880	\$ 4,714,985

(See independent auditor's report.)



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**TIF IV FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 571,800	\$ 571,800	\$ 594,782	\$ 575,192
Investment income	19,500	19,500	60,404	33,061
Miscellaneous	-	-	3,605	-
Total revenues	591,300	591,300	658,791	608,253
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	50,000	52,453	8,789	41,779
Other expenditures	50,000	50,000	50,000	50,000
Capital outlay	900,000	900,000	-	1,273
Total expenditures	1,000,000	1,002,453	58,789	93,052
NET CHANGE IN FUND BALANCE	<u>\$ (408,700)</u>	<u>\$ (411,153)</u>	600,002	515,201
FUND BALANCE, JANUARY 1			2,221,417	1,706,216
FUND BALANCE, DECEMBER 31			<u>\$ 2,821,419</u>	<u>\$ 2,221,417</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****TIF V FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 738,100	\$ 738,100	\$ 722,952	\$ 738,079
Investment income	8,100	8,100	45,805	15,024
Miscellaneous	-	-	3,342	-
Total revenues	746,200	746,200	772,099	753,103
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	10,000	10,000	800	800
Capital outlay	355,000	378,540	12,809	1,787
Total expenditures	365,000	388,540	13,609	2,587
NET CHANGE IN FUND BALANCE	<u>\$ 381,200</u>	<u>\$ 357,660</u>	758,490	750,516
FUND BALANCE, JANUARY 1			1,404,352	653,836
FUND BALANCE, DECEMBER 31			<u>\$ 2,162,842</u>	<u>\$ 1,404,352</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**HICKORY KENSINGTON TIF FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 558,500	\$ 558,500	\$ 515,934	\$ 597,645
Investment income	10,000	10,000	35,318	15,864
Miscellaneous	-	-	400	-
Total revenues	568,500	568,500	551,652	613,509
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	50,000	56,838	-	2,060
Other expenditures	30,000	30,000	30,000	30,000
Capital outlay	1,500,000	1,500,000	-	-
Total expenditures	1,580,000	1,586,838	30,000	32,060
NET CHANGE IN FUND BALANCE	<u>\$ (1,011,500)</u>	<u>\$ (1,018,338)</u>	521,652	581,449
FUND BALANCE, JANUARY 1			1,155,780	574,331
FUND BALANCE, DECEMBER 31			<u>\$ 1,677,432</u>	<u>\$ 1,155,780</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**STORMWATER CONTROL FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Charges for services	\$ 1,630,400	\$ 1,630,400	\$ 1,675,263	\$ 1,669,322
Intergovernmental	1,800,000	1,800,000	1,970,000	-
Investment income	59,000	59,000	278,556	159,497
Miscellaneous	-	-	71,151	17,649
Total revenues	3,489,400	3,489,400	3,994,970	1,846,468
<b>EXPENDITURES</b>				
Capital outlay	5,785,000	9,288,781	8,252,798	1,442,058
Debt service				
Interest and fiscal charges	-	-	-	146,904
Total expenditures	5,785,000	9,288,781	8,252,798	1,588,962
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,295,600)	(5,799,381)	(4,257,828)	257,506
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	-	-	-	9,530,000
Premium on bonds issued	-	-	-	469,318
Transfers (out)	(1,191,900)	(1,191,900)	(691,900)	(736,000)
Total other financing sources (uses)	(1,191,900)	(1,191,900)	(691,900)	9,263,318
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (3,487,500)</u>	<u>\$ (6,991,281)</u>	(4,949,728)	9,520,824
<b>FUND BALANCE, JANUARY 1</b>			14,887,906	5,367,082
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 9,938,178</u>	<u>\$ 14,887,906</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PUBLIC BUILDING FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 68,015	\$ 270,840
Miscellaneous	-	-	198,164	-
Total revenues	-	-	266,179	270,840
<b>EXPENDITURES</b>				
Capital outlay				
Contractual services	-	123,967	-	115,575
Capital outlay	500,000	3,144,831	84,362	23,739,975
Total expenditures	500,000	3,268,798	84,362	23,855,550
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(500,000)	(3,268,798)	181,817	(23,584,710)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(800,000)	(800,000)	(800,000)	-
Total other financing sources (uses)	(800,000)	(800,000)	(800,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ (1,300,000)</u>	<u>\$ (4,068,798)</u>	(618,183)	(23,584,710)
FUND BALANCE, JANUARY 1			3,703,551	27,288,261
FUND BALANCE, DECEMBER 31			<u>\$ 3,085,368</u>	<u>\$ 3,703,551</u>

(See independent auditor's report.)

## **PROPRIETARY FUNDS**

Enterprise Funds are established to account for the financing of self-supporting activities of the Village that render services on a user charge basis.

### **Water and Sewer Fund**

This 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, and improvements.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**WATER AND SEWER FUND**

**STATEMENT OF NET POSITION**

December 31, 2019  
(with comparative actual)

	<b>2019</b>	<b>2018</b>
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 920,680	\$ 2,275,448
Receivables		
Customer accounts	2,962,878	2,547,185
Accrued interest	4,299	2,414
Prepaid expenses	32,800	7,600
Inventory	377,491	648,235
	<hr/>	<hr/>
Total current assets	4,298,148	5,480,882
	<hr/>	<hr/>
<b>NONCURRENT ASSETS</b>		
Capital assets		
Nondepreciable capital assets	2,773,641	2,648,950
Depreciable capital assets	106,423,076	101,652,558
Accumulated depreciation	(81,330,341)	(79,954,050)
	<hr/>	<hr/>
Net capital assets	27,866,376	24,347,458
Other assets		
Investment in joint venture	17,110,382	16,305,339
	<hr/>	<hr/>
Total noncurrent assets	44,976,758	40,652,797
	<hr/>	<hr/>
Total assets	49,274,906	46,133,679
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Asset retirement obligation items	1,015,000	-
IMRF items	735,217	2,559,483
OPEB items	231,329	186,152
	<hr/>	<hr/>
Total deferred outflows of resources	1,981,546	2,745,635
	<hr/>	<hr/>
Total assets and deferred outflows of resources	51,256,452	48,879,314
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Accounts payable	1,082,939	697,535
Accrued payroll	140,373	121,269
Due to other funds	500,000	-
Compensated absences payable	43,763	43,354
Total OPEB liability	35,927	-
	<hr/>	<hr/>
Total current liabilities	1,803,002	862,158
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences payable	175,051	173,415
Asset retirement obligations	1,050,000	-
Net pension liability - IMRF	2,460,494	5,052,438
Total OPEB liability	901,328	884,719
	<hr/>	<hr/>
Total long-term liabilities	4,586,873	6,110,572
	<hr/>	<hr/>
Total liabilities	6,389,875	6,972,730
	<hr/>	<hr/>

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

STATEMENT OF NET POSITION (Continued)

December 31, 2019  
(with comparative actual)

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	2019	2018
<b>DEFERRED INFLOWS OF RESOURCES</b>		
IMRF items	\$ 1,478,130	\$ 468,765
OPEB items	56,334	67,539
Total deferred inflows of resources	1,534,464	536,304
Total liabilities and deferred inflows of resources	7,924,339	7,509,034
<b>NET POSITION</b>		
Net investment in capital assets	27,866,376	24,347,458
Unrestricted	15,465,737	17,022,822
<b>TOTAL NET POSITION</b>	<u>\$ 43,332,113</u>	<u>\$ 41,370,280</u>

(See independent auditor's report.)



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**WATER AND SEWER FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 20,340,000	\$ 20,340,000	\$ 18,454,496	\$ 18,199,277
Miscellaneous	86,000	86,000	144,533	110,370
Total operating revenues	20,426,000	20,426,000	18,599,029	18,309,647
<b>OPERATING EXPENSES</b>				
Personal services	6,659,300	6,665,500	6,812,507	6,439,336
Contractual services	2,506,700	2,546,480	2,618,264	2,451,913
Northwest Water Commission	3,926,000	3,926,000	3,676,300	3,676,300
Commodities	754,500	754,500	1,007,287	601,835
Charges for services	2,000,200	2,010,700	1,716,928	1,666,904
Other	5,789,900	6,935,914	688,625	2,140,661
Total operating expenses	21,636,600	22,839,094	16,519,911	16,976,949
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(1,210,600)	(2,413,094)	2,079,118	1,332,698
Depreciation and amortization	-	-	1,411,291	1,269,627
Total depreciation and amortization	-	-	1,411,291	1,269,627
OPERATING INCOME (LOSS)	(1,210,600)	(2,413,094)	667,827	63,071
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	6,500	6,500	43,175	22,923
Increase in joint venture	-	-	805,043	657,619
Other income	16,000	16,000	399,997	263,881
Total non-operating revenues (expenses)	22,500	22,500	1,248,215	944,423
INCOME (LOSS) BEFORE TRANSFERS	(1,188,100)	(2,390,594)	1,916,042	1,007,494
<b>TRANSFERS</b>				
Transfers in	500,000	500,000	45,791	233,736
CHANGE IN NET POSITION	<u>\$ (688,100)</u>	<u>\$ (1,890,594)</u>	1,961,833	1,241,230
NET POSITION, JANUARY 1			41,370,280	40,129,050
NET POSITION, DECEMBER 31			<u>\$ 43,332,113</u>	<u>\$ 41,370,280</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**WATER AND SEWER FUND**

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019

(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>PERSONAL SERVICES</b>				
Finance				
Salaries	\$ 576,200	\$ 582,400	\$ 557,902	\$ 552,896
Overtime	500	500	-	-
Workers' compensation	1,200	1,200	1,200	1,200
Medical insurance	151,600	151,600	151,600	152,000
IMRF	57,600	57,600	55,539	70,079
FICA	35,800	35,800	32,624	32,644
Medicare	8,400	8,400	7,630	7,635
Water utility operations				
Salaries	3,696,800	3,696,800	3,620,139	3,414,433
Overtime	420,600	420,600	441,746	333,305
Workers' compensation	258,100	258,100	258,100	253,000
Medical insurance	713,900	713,900	713,900	718,900
IMRF	409,100	409,100	663,829	626,661
FICA	254,800	254,800	252,649	235,313
Medicare	59,700	59,700	59,495	55,098
OPEB	15,000	15,000	(3,846)	(13,828)
Total personal services	6,659,300	6,665,500	6,812,507	6,439,336
<b>CONTRACTUAL SERVICES</b>				
Finance				
Professional service	15,300	15,300	13,875	15,155
Other services	91,000	91,000	129,921	110,174
Travel and training	1,000	1,000	-	-
Postage	72,000	72,000	66,723	66,718
Printing	13,500	13,500	14,395	7,647
IT service charge	54,900	54,900	54,900	55,500
Water utility operations				
Professional services	59,800	63,800	60,942	58,618
General insurance	63,800	63,800	63,800	63,200
Equipment maintenance	51,500	70,345	49,101	26,727
Radio maintenance				
Building maintenance	10,000	10,000	5,714	-
Pumping station maintenance	20,000	20,000	19,318	5,010
Sewer collection system	12,500	29,435	27,849	-
Water distribution system	382,800	382,800	378,377	347,594
Meter installation	252,500	252,500	242,360	229,888
Equipment rental	198,500	198,500	177,609	183,989
Utility services	296,000	296,000	431,706	407,233
Disposal services	52,400	52,400	39,798	23,632
Other services	66,550	66,550	53,897	54,635

(This statement is continued on the following pages.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**WATER AND SEWER FUND**

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)**

For the Year Ended December 31, 2019

(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>CONTRACTUAL SERVICES (Continued)</b>				
Water utility operations (Continued)				
Dues	\$ 5,000	\$ 5,000	\$ 3,875	\$ 4,841
Travel and training	16,600	16,600	15,568	11,684
Postage	1,500	1,500	5,040	271
Printing	6,500	6,500	4,360	729
Annual consumer report	3,000	3,000	-	1,804
Service charge	172,300	172,300	172,300	181,800
Claims and refunds	10,000	10,000	-	7,177
Vehicle/equipment lease charge	525,600	525,600	525,600	533,600
Telephone services	52,150	52,150	61,236	54,287
Total contractual services	2,506,700	2,546,480	2,618,264	2,451,913
<b>NORTHWEST WATER COMMISSION</b>	3,926,000	3,926,000	3,676,300	3,676,300
<b>COMMODITIES</b>				
Finance				
Office supplies and equipment	1,200	1,200	475	-
Water utility operations				
Publications and periodicals	500	500	554	1,109
Office supplies and equipment	5,200	5,200	4,760	3,734
Data system supplies	7,200	7,200	3,223	1,747
Clothing	24,700	24,700	25,865	24,375
Petroleum products	79,900	79,900	68,929	73,709
Water distribution supplies	177,500	177,500	337,658	77,929
Meter/backflow devices	136,000	136,000	247,187	124,211
Pumping and storage supplies	25,000	25,000	12,905	25,702
Sewer collection supplies	28,500	28,500	26,993	34,639
Agricultural supplies	13,300	13,300	2,720	573
Building supplies	13,500	13,500	15,666	19,594
Chemicals	10,000	10,000	14,015	16,112
Other equipment and supplies	78,500	78,500	69,490	58,359
Small tools and equipment	15,500	15,500	18,219	11,339
Street and sidewalk supplies	125,000	125,000	146,217	123,897
Other supplies	13,000	13,000	12,411	4,806
Total commodities	754,500	754,500	1,007,287	601,835

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**WATER AND SEWER FUND**

**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>CHARGES FOR SERVICES</b>				
Water utility operations				
Administrative service charge	\$ 1,700,200	\$ 1,716,900	\$ 1,716,900	\$ 1,666,900
Operating contingency	300,000	293,800	-	-
Other	-	-	28	4
Total charges for services	2,000,200	2,010,700	1,716,928	1,666,904
<b>OTHER</b>				
Capital outlay				
Water utility operations				
Office equipment	15,000	21,575	16,924	10,383
Other equipment	1,197,000	1,342,169	480,526	312,755
Building improvements	221,000	221,000	208,824	18,374
Construction in progress	4,356,900	5,351,170	4,877,560	2,418,885
Total other	5,789,900	6,935,914	5,583,834	2,760,397
<b>TOTAL OPERATIONS</b>	<u>\$ 21,636,600</u>	<u>\$ 22,839,094</u>	21,415,120	17,596,685
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Assets capitalized			(4,895,209)	(619,736)
<b>TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION - GAAP BASIS</b>			<u>\$ 16,519,911</u>	<u>\$ 16,976,949</u>

(See independent auditor's report.)

## **NONMAJOR ENTERPRISE FUNDS**

Solid Waste Disposal Fund - 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 billing and collection.

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

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****NONMAJOR ENTERPRISE FUNDS****COMBINING STATEMENT OF NET POSITION**

December 31, 2019

	<b>Solid Waste Disposal</b>	<b>Arts, Entertainment &amp; Events</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 3,718,604	\$ 414,851	\$ 4,133,455
Receivables			
Customer accounts	49,501	66,661	116,162
Accrued interest	18,600	2,109	20,709
Prepaid expenses	234,199	-	234,199
Total current assets	4,020,904	483,621	4,504,525
<b>CAPITAL ASSETS</b>			
Nondepreciable capital assets	-	475,200	475,200
Depreciable capital assets	-	2,615,292	2,615,292
Accumulated depreciation	-	(1,183,936)	(1,183,936)
Net capital assets	-	1,906,556	1,906,556
Total assets	4,020,904	2,390,177	6,411,081
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	4,020,904	2,390,177	6,411,081
<b>CURRENT LIABILITIES</b>			
Accounts payable	121,929	29,002	150,931
Total liabilities	121,929	29,002	150,931
<b>NET POSITION</b>			
Net investment in capital assets	-	1,906,556	1,906,556
Unrestricted	3,898,975	454,619	4,353,594
<b>TOTAL NET POSITION</b>	<b>\$ 3,898,975</b>	<b>\$ 2,361,175</b>	<b>\$ 6,260,150</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**

For the Year Ended December 31, 2019

	<b>Solid Waste Disposal</b>	<b>Arts, Entertainment, and Events</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,965,249	\$ 135,258	\$ 2,100,507
Total operating revenues	1,965,249	135,258	2,100,507
<b>OPERATING EXPENSES</b>			
Operations	1,577,690	817,242	2,394,932
Depreciation	-	70,311	70,311
Total operating expenses	1,577,690	887,553	2,465,243
OPERATING INCOME (LOSS)	387,559	(752,295)	(364,736)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	85,578	10,292	95,870
Food and beverage tax	-	693,535	693,535
Other income	7,038	2,244	9,282
Total non-operating revenues (expenses)	92,616	706,071	798,687
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	480,175	(46,224)	433,951
<b>TRANSFERS</b>			
Transfers in	-	20,012	20,012
Transfers (out)	(500,000)	-	(500,000)
Total transfers	(500,000)	20,012	(479,988)
CHANGE IN NET POSITION	(19,825)	(26,212)	(46,037)
NET POSITION, JANUARY 1	3,918,800	2,387,387	6,306,187
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 3,898,975</b>	<b>\$ 2,361,175</b>	<b>\$ 6,260,150</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2019

	<b>Solid Waste Disposal</b>	<b>Arts, Entertainment, and Events</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,965,357	\$ 135,522	\$ 2,100,879
Payments to suppliers	(1,825,584)	(603,843)	(2,429,427)
Payments to employees	-	(188,400)	(188,400)
Net cash from operating activities	139,773	(656,721)	(516,948)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	20,012	20,012
Transfers (out)	(500,000)	-	(500,000)
Food and beverage tax receipts	-	693,535	693,535
Net cash from noncapital financing activities	(500,000)	713,547	213,547
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital assets purchased	-	(34,546)	(34,546)
Net cash from capital and related financing activities	-	(34,546)	(34,546)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	71,941	8,822	80,763
Net cash from investing activities	71,941	8,822	80,763
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(288,286)	31,102	(257,184)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	4,006,890	383,749	4,390,639
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 3,718,604	\$ 414,851	\$ 4,133,455

(This statement is continued on the following page.)



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**NONMAJOR ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS (Continued)**

For the Year Ended December 31, 2019

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	<b>Solid Waste Disposal</b>	<b>Arts, Entertainment &amp; Events</b>	<b>Total</b>
<hr/>			
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 387,559	\$ (752,295)	\$ (364,736)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	-	70,311	70,311
Other income	7,038	2,244	9,282
Change in assets and liabilities			
Receivables	(6,930)	(1,980)	(8,910)
Prepaid expenses	(134,940)	-	(134,940)
Accounts payable	(112,954)	24,999	(87,955)
	<hr/>		
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 139,773</b>	<b>\$ (656,721)</b>	<b>\$ (516,948)</b>
	<hr/>		

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SOLID WASTE DISPOSAL FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,950,000	\$ 1,950,000	\$ 1,965,249	\$ 1,892,921
Total operating revenues	1,950,000	1,950,000	1,965,249	1,892,921
<b>OPERATING EXPENSES</b>				
Operations	1,498,500	1,498,500	1,577,690	1,468,304
OPERATING INCOME	451,500	451,500	387,559	424,617
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	10,000	10,000	85,578	63,676
Other income	-	-	7,038	2,265
Total non-operating revenues (expenses)	10,000	10,000	92,616	65,941
INCOME BEFORE TRANSFERS	461,500	461,500	480,175	490,558
<b>TRANSFERS</b>				
Transfers (out)	(500,000)	(500,000)	(500,000)	(500,000)
Total transfers	(500,000)	(500,000)	(500,000)	(500,000)
CHANGE IN NET POSITION	<u>\$ (38,500)</u>	<u>\$ (38,500)</u>	(19,825)	(9,442)
NET POSITION, JANUARY 1			3,918,800	3,928,242
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 3,898,975</u>	<u>\$ 3,918,800</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**ARTS, ENTERTAINMENT, AND EVENTS FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Special events	\$ 40,500	\$ 40,500	\$ 34,580	\$ 32,240
Fines and fees	99,400	99,400	100,678	99,186
Total operating revenue	139,900	139,900	135,258	131,426
<b>OPERATING EXPENSES</b>				
Operations				
Personal services	180,200	180,200	188,400	171,099
Contractual	584,300	587,204	471,265	440,239
Commodities	54,300	54,300	36,155	46,966
Capital outlay	122,000	162,859	121,422	93,930
Depreciation	-	-	70,311	68,019
Total operating expenses	940,800	984,563	887,553	820,253
OPERATING INCOME (LOSS)	(800,900)	(844,663)	(752,295)	(688,827)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	4,500	4,500	10,292	6,930
Food and beverage tax	691,400	691,400	693,535	692,286
Other income	-	-	2,244	-
Total non-operating revenues (expenses)	695,900	695,900	706,071	699,216
INCOME (LOSS) BEFORE TRANSFERS	(105,000)	(148,763)	(46,224)	10,389
<b>TRANSFERS</b>				
Transfers in	105,000	145,859	20,012	20,012
Total transfers	105,000	145,859	20,012	20,012
CHANGE IN NET POSITION	\$ -	\$ (2,904)	(26,212)	30,401
NET POSITION, JANUARY 1			2,387,387	2,356,986
NET POSITION, DECEMBER 31			\$ 2,361,175	\$ 2,387,387

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

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

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

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

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

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

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2019

	<b>Health and Life Insurance</b>	<b>General Liability Insurance</b>	<b>Workers' Compensation</b>	<b>Fleet Operations</b>	<b>Technology</b>	<b>Total</b>
<b>CURRENT ASSETS</b>						
Cash and investments	\$ 5,051,201	\$ 3,822,230	\$ 4,887,070	\$ 8,126,861	\$ 2,757,042	\$ 24,644,404
Receivables						
Accrued interest	25,987	19,432	24,324	41,316	14,016	125,075
Other	-	31,403	96,209	-	-	127,612
Prepaid items	332,358	-	-	6,300		338,658
Inventory	-	-	-	155,695	-	155,695
 Total current assets	 5,409,546	 3,873,065	 5,007,603	 8,330,172	 2,771,058	 25,391,444
<b>CAPITAL ASSETS</b>						
Depreciable capital assets	-	-	-	21,917,586	66,335	21,983,921
Accumulated depreciation	-	-	-	(13,494,463)	(25,827)	(13,520,290)
 Net capital assets	 -	 -	 -	 8,423,123	 40,508	 8,463,631
 Total assets	 5,409,546	 3,873,065	 5,007,603	 16,753,295	 2,811,566	 33,855,075
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
OPEB items	10,330	-	4,265	27,179	28,923	70,697
 Total deferred outflows of resources	 10,330	 -	 4,265	 27,179	 28,923	 70,697
 Total assets and deferred outflows of resources	 5,419,876	 3,873,065	 5,011,868	 16,780,474	 2,840,489	 33,925,772

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION (Continued)

December 31, 2019

	<b>Health and Life Insurance</b>	<b>General Liability Insurance</b>	<b>Workers' Compensation</b>	<b>Fleet Operations</b>	<b>Technology</b>	<b>Total</b>
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 387,406	\$ 59,270	\$ 316,276	\$ 455,599	\$ 59,826	\$ 1,278,377
Accrued payroll	3,354	-	3,130	32,556	16,200	55,240
Claims payable	1,530,847	56,600	230,010	-	-	1,817,457
Unearned revenue	-	31,403	94,209	-	-	125,612
Compensated absences payable	993	-	2,294	17,261	5,879	26,427
Total OPEB liability	468	-	354	6,151	2,834	9,807
Total current liabilities	1,923,068	147,273	646,273	511,567	84,739	3,312,920
<b>LONG-TERM LIABILITIES</b>						
Compensated absences payable	3,973	-	9,177	69,044	23,514	105,708
Total OPEB liability	11,761	-	8,872	154,303	71,090	246,026
Total long-term liabilities	15,734	-	18,049	223,347	94,604	351,734
Total liabilities	1,938,802	147,273	664,322	734,914	179,343	3,664,654
<b>DEFERRED INFLOWS OF RESOURCES</b>						
OPEB items	181	-	2,140	-	4,966	7,287
Total deferred inflows of resources	181	-	2,140	-	4,966	7,287
Total liabilities and deferred inflows of resources	1,938,983	147,273	666,462	734,914	184,309	3,671,941
<b>NET POSITION</b>						
Net investment in capital assets	-	-	-	8,423,123	40,508	8,463,631
Unrestricted	3,480,893	3,725,792	4,345,406	7,622,437	2,615,672	21,790,200
<b>TOTAL NET POSITION</b>	<u>\$ 3,480,893</u>	<u>\$ 3,725,792</u>	<u>\$ 4,345,406</u>	<u>\$ 16,045,560</u>	<u>\$ 2,656,180</u>	<u>\$ 30,253,831</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION

For the Year Ended December 31, 2019

	<b>Health and Life Insurance</b>	<b>General Liability Insurance</b>	<b>Workers' Compensation</b>	<b>Fleet Operations</b>	<b>Technology</b>	<b>Total</b>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 9,822,435	\$ 834,900	\$ 2,114,700	\$ 3,677,366	\$ 1,694,600	\$ 18,144,001
Contributions	3,121,716	-	-	-	-	\$ 3,121,716
Fines	-	-	-	27,127	-	27,127
Miscellaneous	-	-	-	200,580	-	200,580
Total operating revenues	12,944,151	834,900	2,114,700	3,905,073	1,694,600	21,493,424
<b>OPERATING EXPENSES</b>						
Personal services	146,902	-	130,491	1,449,850	676,858	2,404,101
Contractual services	4,745,656	319,015	985,372	350,798	603,094	7,003,935
Commodities	498	-	929	394,051	61,161	456,639
Insurance claims	8,141,729	219,480	1,104,374	-	-	9,465,583
Supplies	-	-	-	-	168,863	168,863
Total operating expenses	13,034,785	538,495	2,221,166	2,194,699	1,509,976	19,499,121
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(90,634)	296,405	(106,466)	1,710,374	184,624	1,994,303
Depreciation	-	-	-	1,490,156	6,633	1,496,789
OPERATING INCOME (LOSS)	(90,634)	296,405	(106,466)	220,218	177,991	497,514
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	88,184	80,827	97,935	178,515	60,404	505,865
Other income	133,150	79,490	56,260	7,773	4,236	280,909
Total nonoperating revenues (expenses)	221,334	160,317	154,195	186,288	64,640	786,774
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	130,700	456,722	47,729	406,506	242,631	1,284,288

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION (Continued)

For the Year Ended December 31, 2019

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Total
<b>TRANSFERS</b>						
Transfers in	\$ 316,133	\$ -	\$ -	\$ -	\$ -	\$ 316,133
Transfers (out)	(316,133)	-	-	-	-	(316,133)
Total transfers	-	-	-	-	-	-
CHANGE IN NET POSITION	130,700	456,722	47,729	406,506	242,631	1,284,288
NET POSITION, JANUARY 1	3,350,193	3,269,070	4,297,677	15,639,054	2,413,549	28,969,543
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 3,480,893</b>	<b>\$ 3,725,792</b>	<b>\$ 4,345,406</b>	<b>\$ 16,045,560</b>	<b>\$ 2,656,180</b>	<b>\$ 30,253,831</b>

(See independent auditor's report.)



VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

	Health and Life Insurance	Retiree Health Insurance	General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 3,254,866	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,254,866
Receipts from interfund services	9,822,435	-	945,793	2,265,169	3,927,448	1,703,753	18,664,598
Payments to suppliers	(12,662,631)	(412,066)	(575,869)	(2,470,996)	(748,506)	(823,465)	(17,693,533)
Payments to employees	(153,718)	-	-	(128,757)	(1,434,735)	(690,966)	(2,408,176)
Net cash from operating activities	260,952	(412,066)	369,924	(334,584)	1,744,207	189,322	1,817,755
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfers in	316,133	-	-	-	-	-	316,133
Transfers (out)	(316,133)	-	-	-	-	-	(316,133)
Net cash from noncapital financing activities	-	-	-	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital assets purchased	-	-	-	-	(1,410,125)	-	(1,410,125)
Net cash from capital and related financing activities	-	-	-	-	(1,410,125)	-	(1,410,125)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	64,742	-	65,438	80,526	146,379	49,389	406,474
Net cash from investing activities	64,742	-	65,438	80,526	146,379	49,389	406,474
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	325,694	(412,066)	435,362	(254,058)	480,461	238,711	814,104
CASH AND CASH EQUIVALENTS, JANUARY 1	4,725,507	412,066	3,386,868	5,141,128	7,646,400	2,518,331	23,830,300
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u>\$ 5,051,201</u>	<u>\$ -</u>	<u>\$ 3,822,230</u>	<u>\$ 4,887,070</u>	<u>\$ 8,126,861</u>	<u>\$ 2,757,042</u>	<u>\$ 24,644,404</u>

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2019

**RECONCILIATION OF OPERATING  
INCOME (LOSS) TO NET CASH FLOWS  
FROM OPERATING ACTIVITIES**

	Health and Life Insurance	Retiree Health Insurance	General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Total
Operating income (loss)	\$ (90,634)	\$ -	\$ 296,405	\$ (106,466)	\$ 220,218	\$ 184,624	\$ 504,147
Depreciation	-	-	-	-	1,490,156	-	1,490,156
Other income	133,150	-	79,490	56,260	7,773	4,236	280,909
Adjustments to reconcile operating income (loss) to net cash from operating activities							
Change in assets and liabilities							
Inventories	-	-	-	-	(79,135)	-	(79,135)
Accounts receivable	13,116	-	(20,022)	(77,039)	14,602	4,917	(64,426)
Prepaid expenses	(332,358)	-	8,896	26,689	(6,300)	-	(303,073)
Accounts payable	22,502	-	42,919	121,682	81,778	9,653	278,534
Accrued payroll	650	-	-	603	7,324	3,051	11,628
Unearned revenue	-	-	31,403	94,209	-	-	125,612
Compensated absences payable	2,289	-	-	254	4,891	(4,525)	2,909
OPEB items	(9,755)	-	-	877	2,900	(12,634)	(18,612)
Claims payable	521,992	(412,066)	(69,167)	(451,653)	-	-	(410,894)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 260,952</b>	<b>\$ (412,066)</b>	<b>\$ 369,924</b>	<b>\$ (334,584)</b>	<b>\$ 1,744,207</b>	<b>\$ 189,322</b>	<b>\$ 1,817,755</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**HEALTH AND LIFE INSURANCE FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 9,821,700	\$ 9,821,700	\$ 9,822,435	\$ 9,024,800
Contributions	1,433,900	3,660,400	3,121,716	2,998,025
Total operating revenues	11,255,600	13,482,100	12,944,151	12,022,825
<b>OPERATING EXPENSES</b>				
Personal services	529,500	529,500	146,902	159,520
Contractual services	4,436,200	5,126,200	4,745,656	4,071,627
Commodities	500	500	498	670
Insurance claims	6,586,400	8,716,100	8,141,729	7,619,366
Total operating expenses	11,552,600	14,372,300	13,034,785	11,851,183
OPERATING INCOME (LOSS)	(297,000)	(890,200)	(90,634)	171,642
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	26,000	26,000	88,184	30,261
Other income	-	124,000	133,150	14,392
Total non-operating revenues (expenses)	26,000	150,000	221,334	44,653
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(271,000)	(740,200)	130,700	216,295
<b>TRANSFERS</b>				
Transfers in	-	-	316,133	-
Transfers (out)	(474,200)	-	(316,133)	(818,986)
Total transfers	(474,200)	-	-	(818,986)
CHANGE IN NET POSITION	<u>\$ (745,200)</u>	<u>\$ (740,200)</u>	130,700	(602,691)
NET POSITION, JANUARY 1			3,350,193	3,952,884
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 3,480,893</u>	<u>\$ 3,350,193</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GENERAL LIABILITY INSURANCE FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 834,900	\$ 834,900	\$ 834,900	\$ 826,600
Total operating revenues	834,900	834,900	834,900	826,600
<b>OPERATING EXPENSES</b>				
Contractual services	342,000	342,000	319,015	303,432
Insurance claims	500,000	500,000	219,480	109,843
Total operating expenses	842,000	842,000	538,495	413,275
OPERATING INCOME (LOSS)	(7,100)	(7,100)	296,405	413,325
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	14,600	14,600	80,827	49,492
Other	-	-	79,490	(179,391)
Total non-operating revenues (expenses)	14,600	14,600	160,317	(129,899)
CHANGE IN NET POSITION	<u>\$ 7,500</u>	<u>\$ 7,500</u>	456,722	283,426
NET POSITION, JANUARY 1			<u>3,269,070</u>	<u>2,985,644</u>
NET POSITION, DECEMBER 31			<u>\$ 3,725,792</u>	<u>\$ 3,269,070</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**WORKERS' COMPENSATION FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,114,700	\$ 2,114,700	\$ 2,114,700	\$ 2,073,100
Workers' compensation reimbursements	-	-	-	5,677
Total operating revenues	2,114,700	2,114,700	2,114,700	2,078,777
<b>OPERATING EXPENSES</b>				
Personal services	154,900	154,900	130,491	125,473
Contractual services	1,056,400	1,056,400	985,372	916,506
Commodities	1,600	1,600	929	1,273
Insurance claims	1,382,000	1,382,000	1,104,374	1,150,449
Total operating expenses	2,594,900	2,594,900	2,221,166	2,193,701
OPERATING INCOME (LOSS)	(480,200)	(480,200)	(106,466)	(114,924)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	39,000	39,000	97,935	74,707
Other	-	-	56,260	(293,700)
Total non-operating revenues (expenses)	39,000	39,000	154,195	(218,993)
CHANGE IN NET POSITION	\$ (441,200)	\$ (441,200)	47,729	(333,917)
NET POSITION, JANUARY 1			4,297,677	4,631,594
NET POSITION, DECEMBER 31			\$ 4,345,406	\$ 4,297,677

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FLEET OPERATIONS FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,692,200	\$ 3,692,200	\$ 3,677,366	\$ 3,484,775
Fines	20,000	20,000	27,127	56,546
Miscellaneous	132,000	132,000	200,580	179,423
Total operating revenues	3,844,200	3,844,200	3,905,073	3,720,744
<b>OPERATING EXPENSES</b>				
Personal services	1,533,800	1,533,800	1,449,850	1,496,001
Contractual services	343,000	343,000	350,798	293,354
Commodities	408,400	408,400	394,051	380,922
Capital outlay	2,707,300	3,732,893	-	-
Total operating expenses	4,992,500	6,018,093	2,194,699	2,170,277
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,148,300)	(2,173,893)	1,710,374	1,550,467
Depreciation	-	-	1,490,156	1,401,572
OPERATING INCOME (LOSS)	(1,148,300)	(2,173,893)	220,218	148,895
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	54,000	54,000	178,515	111,136
Other income	-	-	7,773	19,700
Total non-operating revenues (expenses)	54,000	54,000	186,288	130,836
INCOME (LOSS) BEFORE CONTRIBUTIONS	(1,094,300)	(2,119,893)	406,506	279,731
CAPITAL CONTRIBUTIONS	-	-	-	275,000
CHANGE IN NET POSITION	<u>\$ (1,094,300)</u>	<u>\$ (2,119,893)</u>	406,506	554,731
NET POSITION, JANUARY 1			15,639,054	15,084,323
NET POSITION, DECEMBER 31			<u>\$ 16,045,560</u>	<u>\$ 15,639,054</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**TECHNOLOGY FUND**

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

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,694,600	\$ 1,694,600	\$ 1,694,600	\$ 1,674,500
Total operating revenues	1,694,600	1,694,600	1,694,600	1,674,500
<b>OPERATING EXPENSES</b>				
Operations				
Personal services	712,400	712,400	676,858	681,057
Contractual services	674,600	694,600	603,094	584,917
Commodities	71,800	71,800	61,161	54,710
Capital outlay	441,800	441,800	168,863	186,575
Depreciation	-	-	6,633	6,633
Total operating expenses	1,900,600	1,920,600	1,516,609	1,513,892
OPERATING INCOME (LOSS)	(206,000)	(226,000)	177,991	160,608
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	6,000	6,000	60,404	38,434
Other income	-	-	4,236	-
Total non-operating revenues (expenses)	6,000	6,000	64,640	38,434
CHANGE IN NET POSITION	<u>\$ (200,000)</u>	<u>\$ (220,000)</u>	242,631	199,042
NET POSITION, JANUARY 1			2,413,549	2,214,507
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 2,656,180</u>	<u>\$ 2,413,549</u>

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

### **Police Pension Fund**

This 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, employee contributions, and investment income.

### **Firefighters' Pension Fund**

This fund is used to account for the resources necessary to provide retirement and disability benefits to personnel of the Arlington Heights Fire Department. Revenues are provided by the following: Village contributions, employee contributions, and investment income.



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****PENSION TRUST FUNDS****COMBINING STATEMENT OF FIDUCIARY NET POSITION**

December 31, 2019

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,253,905	\$ 5,314,437	\$ 9,568,342
Investments			
U.S. Government and agency obligations	20,402,928	16,423,732	36,826,660
Equity securities	50,855,945	65,971,504	116,827,449
Negotiable certificate of deposit	250,356	-	250,356
REIT	871,891	15,248,702	16,120,593
Mutual funds	43,859,619	-	43,859,619
CMOs/asset backed securities	5,927,034	-	5,927,034
Corporate bonds	18,615,401	17,434,229	36,049,630
Municipal bonds	1,674,304	1,857,364	3,531,668
Receivables			
Accrued interest	309,945	242,747	552,692
Due from Village	1,346,620	1,375,976	2,722,596
Other	605	648	1,253
Prepaid items	-	15,000	15,000
 Total assets	 148,368,553	 123,884,339	 272,252,892
<b>LIABILITIES</b>			
Accounts payable	-	332	332
Due to other governments	1,246	310	1,556
Other payables	21,000	-	21,000
 Total liabilities	 22,246	 642	 22,888
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>	  \$ 148,346,307	  \$ 123,883,697	  \$ 272,230,004

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****PENSION TRUST FUNDS****COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended December 31, 2019

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 5,267,000	\$ 6,203,000	\$ 11,470,000
Participants	1,304,981	1,097,478	2,402,459
Other	5,650	1,299	6,949
Total contributions	6,577,631	7,301,777	13,879,408
Investment income			
Net appreciation in fair value of investments	23,962,559	14,962,233	38,924,792
Interest income	2,509,080	2,341,241	4,850,321
Subtotal	26,471,639	17,303,474	43,775,113
Less investment expense	(367,491)	(212,818)	(580,309)
Net investment income	26,104,148	17,090,656	43,194,804
Total additions	32,681,779	24,392,433	57,074,212
<b>DEDUCTIONS</b>			
Administrative	37,166	28,405	65,571
Pension benefits and refunds	8,064,669	7,210,277	15,274,946
Total deductions	8,101,835	7,238,682	15,340,517
NET INCREASE	24,579,944	17,153,751	41,733,695
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
January 1	123,766,363	106,729,946	230,496,309
December 31	\$ 148,346,307	\$ 123,883,697	\$ 272,230,004

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**POLICE PENSION FUND**

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,017,000	\$ 4,017,000	\$ 5,267,000	\$ 5,379,000
Plan members	1,133,000	1,133,000	1,304,981	1,144,554
Other	-	-	5,650	11,828
Total contributions	<u>5,150,000</u>	<u>5,150,000</u>	<u>6,577,631</u>	<u>6,535,382</u>
Investment income				
Net change in fair value of investments	1,900,000	1,900,000	23,962,559	(8,773,017)
Interest earned	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,509,080</u>	<u>3,101,589</u>
Subtotal	3,900,000	3,900,000	26,471,639	(5,671,428)
Less investment expense	<u>(360,000)</u>	<u>(360,000)</u>	<u>(367,491)</u>	<u>(363,324)</u>
Net investment income	<u>3,540,000</u>	<u>3,540,000</u>	<u>26,104,148</u>	<u>(6,034,752)</u>
Total additions	<u>8,690,000</u>	<u>8,690,000</u>	<u>32,681,779</u>	<u>500,630</u>
<b>DEDUCTIONS</b>				
Administrative	58,900	58,900	37,166	34,640
Pension benefits and refunds	<u>7,575,000</u>	<u>7,575,000</u>	<u>8,064,669</u>	<u>7,136,881</u>
Total deductions	<u>7,633,900</u>	<u>7,633,900</u>	<u>8,101,835</u>	<u>7,171,521</u>
NET INCREASE	<u>\$ 1,056,100</u>	<u>\$ 1,056,100</u>	24,579,944	(6,670,891)
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
January 1			<u>123,766,363</u>	<u>130,437,254</u>
December 31			<u>\$ 148,346,307</u>	<u>\$ 123,766,363</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FIREFIGHTERS' PENSION FUND**

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL**

For the Year Ended December 31, 2019  
(with comparative actual)

	<b>2019</b>			<b>2018</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,953,000	\$ 4,953,000	\$ 6,203,000	\$ 6,353,000
Plan members	1,060,000	1,060,000	1,097,478	1,065,390
Other	-	-	1,299	641
Total contributions	6,013,000	6,013,000	7,301,777	7,419,031
Investment income				
Net change in fair value in investments	2,000,000	2,000,000	14,962,233	(5,691,806)
Interest earned	1,750,000	1,750,000	2,341,241	2,241,493
Subtotal	3,750,000	3,750,000	17,303,474	(3,450,313)
Less investment expense	(240,000)	(240,000)	(212,818)	(212,298)
Net investment income	3,510,000	3,510,000	17,090,656	(3,662,611)
Total additions	9,523,000	9,523,000	24,392,433	3,756,420
<b>DEDUCTIONS</b>				
Administrative	57,000	57,000	28,405	28,953
Pension benefits and refunds	7,284,000	7,284,000	7,210,277	6,832,215
Total deductions	7,341,000	7,341,000	7,238,682	6,861,168
NET INCREASE	<u>\$ 2,182,000</u>	<u>\$ 2,182,000</u>	17,153,751	(3,104,748)
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
January 1			106,729,946	109,834,694
December 31			<u>\$ 123,883,697</u>	<u>\$ 106,729,946</u>

(See independent auditor's report.)

**CONSOLIDATED YEAR END  
FINANCIAL REPORT**

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2019

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
420-00-1852	Construction of Storm Sewers - 2019 Department of Commerce and Economic Opportunity (DCEO) Grant Management Initiative	\$ -	\$ 170,000	\$ -	\$ 170,000
494-00-1488	Motor Fuel Tax Program	1,873,979	-	-	1,873,979
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	82,762	-	82,762
546-00-1474	Victims of Crime Act (VOCA) FFY16	-	71,932	-	71,932
546-00-1705	Community-Law Enforcement Partnership for Deflection & Substance Use Disorder Treatment	-	25,347	-	25,347
569-00-2095	Law Enforcement Camera Grant FY19	14,679	-	-	14,679
	Other grant programs and activities	-	533,994	-	533,994
	All other costs not allocated	-	-	107,930,286	107,930,286
Totals		\$ 1,888,658	\$ 884,035	\$ 107,930,286	\$ 110,702,979

(See independent auditor's report.)

## **SUPPLEMENTAL INFORMATION**

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010**

December 31, 2019

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Date of Issue	September 22, 2010
Date of Maturity	December 1, 2022
Authorized Issue	\$2,855,000
Denomination of Bonds	\$5,000
Interest Rates	1.50% to 3.25%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Road Improvements
Interest Dates	June and December
Principal Maturity Date	December 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2019	\$ 260,000	\$ 25,675	\$ 285,675	2020	\$ 12,838	2020	\$ 12,837
2020	270,000	17,875	287,875	2021	8,938	2021	8,937
2021	280,000	9,100	289,100	2022	4,550	2022	4,550
	<u>\$ 810,000</u>	<u>\$ 52,650</u>	<u>\$ 862,650</u>		<u>\$ 26,326</u>		<u>\$ 26,324</u>

(See independent auditor's report.)



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A**

December 31, 2019

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Date of Issue	February 1, 2012
Date of Maturity	December 1, 2022
Authorized Issue	\$9,670,000
Denomination of Bonds	\$5,000
Interest Rates	2%
Paying Agent	Bank of New York Midwest Trust Company Chicago
Purpose of Issue	Advance refunding of a portion of the Series 2004 General Obligation
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy</b>	<b>Requirements</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>	<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
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>\$ 5,520,000</u>	<u>\$ 208,300</u>	<u>\$ 5,728,300</u>		<u>\$ 104,150</u>		<u>\$ 104,150</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION BONDS, SERIES 2014**

December 31, 2019

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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% to 3%
Paying Agent	UMB Bank, National Association, Kansas City, MO
Purpose of Issue	Road improvements
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Tax Levy</b>	<b>Requirements</b>			<b>Interest Due on</b>			
	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>	<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
2019	\$ 860,000	\$ 25,800	\$ 885,800	2020	\$ 12,900	2020	\$ 12,900
	<u>\$ 860,000</u>	<u>\$ 25,800</u>	<u>\$ 885,800</u>		<u>\$ 12,900</u>		<u>\$ 12,900</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****LONG-TERM DEBT REQUIREMENTS****GENERAL OBLIGATION BONDS, SERIES 2016**

December 31, 2019

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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% to 4%
Paying Agent	Depository Trust Company
Purpose of Issue	Construction of new police station
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2019	\$ 2,240,000	\$ 1,054,900	\$ 3,294,900	2020	\$ 527,450	2020	\$ 527,450
2020	1,585,000	993,700	2,578,700	2021	496,850	2021	496,850
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>\$ 31,590,000</u>	<u>\$ 10,571,950</u>	<u>\$ 42,161,950</u>		<u>\$ 5,285,975</u>		<u>\$ 5,285,975</u>

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## LONG-TERM DEBT REQUIREMENTS

### GENERAL OBLIGATION BONDS, SERIES 2018

December 31, 2019

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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% to 5.00%
Paying Agent	UMB Bank, National Association, St. Louis MO
Purpose of Issue	Various capital improvements
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
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>\$ 9,290,000</u>	<u>\$ 3,854,812</u>	<u>\$ 13,144,812</u>		<u>\$ 1,927,411</u>		<u>\$ 1,927,401</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019**

December 31, 2019

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Date of Issue	September 18, 2019
Date of Maturity	December 1, 2026
Authorized Issue	\$7,985,000
Denomination of Bonds	\$5,000
Interest Rates	1.515%
Paying Agent	Depository Trust Company
Purpose of Issue	Partial refunding of 2011, Public Buildings Projects
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2019	\$ -	\$ 399,250	\$ 399,250	2020	\$ 199,625	2020	\$ 199,625
2020	-	399,250	399,250	2021	199,625	2021	199,625
2021	640,000	399,250	1,039,250	2022	199,625	2022	199,625
2022	2,185,000	367,250	2,552,250	2023	183,625	2023	183,625
2023	2,265,000	258,000	2,523,000	2024	129,000	2024	129,000
2024	1,650,000	144,750	1,794,750	2025	72,375	2025	72,375
2025	1,245,000	62,250	1,307,250	2026	31,125	2026	31,125
	<u>\$ 7,985,000</u>	<u>\$ 2,030,000</u>	<u>\$ 10,015,000</u>		<u>\$ 1,015,000</u>		<u>\$ 1,015,000</u>

(See independent auditor's report.)

## **STATISTICAL SECTION**

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 113,491,072	\$ 116,954,018	\$ 121,113,330	\$ 127,435,505
Restricted	9,452,095	16,263,555	17,517,983	16,796,342
Unrestricted	44,485,939	41,494,128	44,224,002	45,211,400
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 167,429,106</b>	<b>\$ 174,711,701</b>	<b>\$ 182,855,315</b>	<b>\$ 189,443,247</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 34,272,550	\$ 32,777,835	\$ 31,486,324	\$ 30,288,702
Restricted	-	-	-	-
Unrestricted	22,632,902	22,739,490	23,159,732	23,285,911
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 56,905,452</b>	<b>\$ 55,517,325</b>	<b>\$ 54,646,056</b>	<b>\$ 53,574,613</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 147,763,622	\$ 149,731,853	\$ 152,599,654	\$ 157,724,207
Restricted	9,452,095	16,263,555	17,517,983	16,796,342
Unrestricted	67,118,841	64,233,618	67,383,734	68,497,311
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 224,334,558</b>	<b>\$ 230,229,026</b>	<b>\$ 237,501,371</b>	<b>\$ 243,017,860</b>

\*The Village implemented GASB Statement No. 68 for the fiscal period ended December 31, 2015.

\*\*The Village implemented GASB Statement No. 75 for the fiscal period ended December 31, 2018.

Data Source

Audited Financial Statements

4/30/2015	12/31/2015*	12/31/2016	12/31/2017	12/31/2018**	12/31/2019
\$ 126,928,744	\$ 134,100,576	\$ 142,096,216	\$ 149,053,177	\$ 152,560,713	\$ 155,122,107
23,943,432	21,979,506	18,509,205	24,218,253	28,327,246	35,183,379
44,627,697	(41,302,760)	(39,209,690)	(44,770,477)	(59,581,979)	(56,415,754)
\$ 195,499,873	\$ 114,777,322	\$ 121,395,731	\$ 128,500,953	\$ 121,305,980	\$ 133,889,732
\$ 28,889,101	\$ 27,613,381	\$ 26,986,838	\$ 27,007,689	\$ 26,289,779	\$ 29,772,932
-	-	-	-	-	-
22,803,814	22,200,989	19,093,045	20,027,518	21,386,688	19,819,331
\$ 51,692,915	\$ 49,814,370	\$ 46,079,883	\$ 47,035,207	\$ 47,676,467	\$ 49,592,263
\$ 155,817,845	\$ 161,713,957	\$ 169,083,054	\$ 176,060,866	\$ 178,850,492	\$ 184,895,039
23,943,432	21,979,506	18,509,205	24,218,253	28,327,246	35,183,379
67,431,511	(19,101,771)	(20,116,645)	(24,742,959)	(38,195,291)	(36,596,423)
\$ 247,192,788	\$ 164,591,692	\$ 167,475,614	\$ 175,536,160	\$ 168,982,447	\$ 183,481,995



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 5,193,600	\$ 6,257,562	\$ 5,373,174	\$ 5,194,272
Public safety	40,266,562	41,805,406	43,129,040	43,866,734
Highways and streets	17,159,903	17,923,609	19,692,580	23,532,913
Community development	6,334,050	5,838,531	5,734,706	2,642,799
Health and welfare	1,888,832	1,948,340	2,137,300	5,337,880
Interest	2,583,611	2,514,126	1,896,757	1,563,358
Total governmental activities expenses	73,426,558	76,287,574	77,963,557	82,137,956
Business-type activities				
Water and sewer	15,251,729	14,914,914	15,722,016	15,537,127
Solid waste disposal	1,492,582	1,529,106	1,312,457	1,230,310
Arts, entertainment & events	475,793	819,933	511,705	698,518
Total business-type activities expenses	17,220,104	17,263,953	17,546,178	17,465,955
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 90,646,662</b>	<b>\$ 93,551,527</b>	<b>\$ 95,509,735</b>	<b>\$ 99,603,911</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 4,325,464	\$ 4,582,832	\$ 4,978,268	\$ 4,337,694
Public safety	2,975,966	2,895,316	2,929,501	3,050,316
Highways and streets	2,935,937	3,017,043	3,016,225	3,253,819
Community development	816,738	901,216	1,681,786	31,751
Health and welfare	51,551	42,754	44,896	1,375,624
Operating grants and contributions	2,826,571	2,638,083	2,953,559	2,787,401
Capital grants and contributions	866,648	574,058	1,821,768	1,501,300
Total governmental activities program revenues	14,798,875	14,651,302	17,426,003	16,337,905
Business-type activities				
Charges for services				
Water and sewer	12,730,188	12,960,678	14,344,566	14,232,051
Solid waste disposal	1,406,829	1,701,884	1,593,605	1,575,908
Art, entertainment & events	33,550	132,209	74,611	149,351
Total business-type activities program revenues	14,170,567	14,794,771	16,012,782	15,957,310
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 28,969,442</b>	<b>\$ 29,446,073</b>	<b>\$ 33,438,785</b>	<b>\$ 32,295,215</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (58,627,683)	\$ (61,636,272)	\$ (60,537,554)	\$ (65,800,051)
Business-type activities	(3,049,537)	(2,469,182)	(1,533,396)	(1,508,645)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (61,677,220)</b>	<b>\$ (64,105,454)</b>	<b>\$ (62,070,950)</b>	<b>\$ (67,308,696)</b>

4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
\$ 6,959,759	\$ 5,640,281	\$ 3,445,379	\$ 5,608,591	\$ 6,495,468	\$ 5,364,493
44,806,959	42,999,869	48,437,685	46,568,027	49,573,397	49,917,159
22,995,777	11,731,508	20,548,648	19,554,637	25,126,598	25,021,840
2,288,259	2,951,484	7,143,680	8,003,031	2,312,172	5,212,443
5,878,038	4,396,910	3,130,134	4,031,072	7,010,034	2,424,569
1,532,740	888,689	2,097,362	1,971,409	1,881,323	2,366,030
84,461,532	68,608,741	84,802,888	85,736,767	92,398,992	90,306,534
16,252,073	12,744,878	21,138,874	18,016,038	18,246,576	17,931,202
1,274,638	961,329	1,117,379	1,283,229	1,468,304	1,577,690
991,928	570,146	752,236	876,108	820,253	887,553
18,518,639	14,276,353	23,008,489	20,175,375	20,535,133	20,396,445
\$ 102,980,171	\$ 82,885,094	\$ 107,811,377	\$ 105,912,142	\$ 112,934,125	\$ 110,702,979
\$ 4,129,774	\$ 3,105,322	\$ 4,637,586	\$ 4,356,699	\$ 4,649,160	\$ 6,347,691
3,072,951	2,088,265	2,979,377	2,963,757	3,760,239	3,985,006
3,213,901	2,322,624	3,218,925	3,885,739	5,238,289	1,397,660
43,722	22,680	1,592,920	1,575,254	16,692	2,056,866
1,474,210	1,055,370	22,905	21,214	1,479,730	42,343
4,662,077	1,834,378	-	2,605,115	2,757,894	3,340,537
133,187	-	2,464,157	875,699	297,950	1,970,000
16,729,822	10,428,639	14,915,870	16,283,477	18,199,954	19,140,103
14,125,562	10,323,750	17,256,513	18,858,921	18,967,266	19,259,539
1,759,911	1,310,604	1,676,467	1,946,842	1,892,921	1,965,249
54,851	85,288	130,121	126,166	131,426	135,258
15,940,324	11,719,642	19,063,101	20,931,929	20,991,613	21,360,046
\$ 32,670,146	\$ 22,148,281	\$ 33,978,971	\$ 37,215,406	\$ 39,191,567	\$ 40,500,149
\$ (67,731,710)	\$ (58,180,102)	\$ (69,887,018)	\$ (69,453,290)	\$ (74,199,038)	\$ (71,166,431)
(2,578,315)	(2,556,711)	(3,945,388)	756,554	456,480	963,601
\$ (70,310,025)	\$ (60,736,813)	\$ (73,832,406)	\$ (68,696,736)	\$ (73,742,558)	\$ (70,202,830)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 28,710,137	\$ 30,715,129	\$ 30,390,556	\$ 30,637,670
Utility	4,051,320	5,265,951	5,568,711	5,805,227
Home rule sales	6,574,175	6,897,071	6,582,209	7,033,558
Food and beverage	1,674,096	1,750,023	1,843,337	1,881,211
Hotel	814,905	885,190	959,547	968,827
Telecommunications	3,772,498	4,269,272	3,606,605	3,244,472
Foreign fire insurance	117,835	123,597	129,456	146,650
Other	52,554	40,782	57,439	313,140
Intergovernmental				
Sales	10,369,871	10,519,988	10,333,345	11,488,156
Use	1,103,427	1,101,284	1,190,737	1,340,067
Replacement	455,733	410,962	415,244	466,766
Shared income tax	5,998,989	6,135,155	6,768,141	7,318,303
Investment earnings	351,656	217,990	201,421	285,637
Miscellaneous	746,901	886,473	634,380	1,458,299
Transfers	50,000	(300,000)	-	-
Total governmental activities	64,844,097	68,918,867	68,681,128	72,387,983
Business-type activities				
Investment earnings	58,387	27,741	23,362	22,143
Food and beverage	420,102	433,045	460,424	470,918
Miscellaneous	234,186	320,267	178,341	(55,859)
Transfers	(50,000)	300,000	-	-
Total business-type activities	662,675	1,081,053	662,127	437,202
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 65,506,772</b>	<b>\$ 69,999,920</b>	<b>\$ 69,343,255</b>	<b>\$ 72,825,185</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 6,216,414	\$ 7,282,595	\$ 8,143,574	\$ 6,587,932
Business-type activities	(2,386,862)	(1,388,129)	(871,269)	(1,071,443)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 3,829,552</b>	<b>\$ 5,894,466</b>	<b>\$ 7,272,305</b>	<b>\$ 5,516,489</b>
<b>CHANGE IN NET POSITION</b>				

Data Source

Audited Financial Statements

4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
\$ 31,550,695	\$ 31,960,632	\$ 33,774,122	\$ 35,031,674	\$ 36,975,524	\$ 37,873,650
5,499,718	2,827,748	5,195,181	4,988,209	5,417,711	5,220,745
7,310,625	5,097,810	6,999,693	6,667,772	7,155,629	7,201,491
2,003,859	1,437,299	1,944,185	1,970,860	2,076,857	2,079,454
1,032,228	777,052	1,096,755	1,043,795	1,078,944	1,109,349
3,199,974	2,037,305	3,116,898	2,586,731	2,437,145	2,356,604
134,186	137,450	129,877	131,628	129,452	134,895
320,071	286,444	335,157	297,053	304,679	61,304
12,060,996	8,423,387	12,377,718	12,064,683	12,927,772	12,914,676
1,520,258	1,147,270	1,807,251	2,027,665	2,027,665	2,488,121
454,992	283,613	430,829	464,689	422,905	523,154
7,354,986	5,254,518	7,310,634	6,897,965	7,192,128	7,993,678
246,993	121,491	435,523	828,070	1,616,187	1,720,017
1,098,755	837,890	1,051,604	1,057,718	2,006,603	1,638,848
-	-	500,000	500,000	479,988	434,197
73,788,336	60,629,909	76,505,427	76,558,512	82,249,189	83,750,183
20,818	9,806	21,865	41,816	93,529	139,045
498,638	367,339	649,046	656,954	692,286	693,535
177,461	300,721	39,990	-	499,882	553,812
-	-	(500,000)	(500,000)	(479,988)	(434,197)
696,917	677,866	210,901	198,770	805,709	952,195
\$ 74,485,253	\$ 61,307,775	\$ 76,716,328	\$ 76,757,282	\$ 83,054,898	\$ 84,702,378
\$ 6,056,626	\$ 2,449,807	\$ 6,618,409	\$ 7,105,222	\$ 8,050,151	\$ 12,583,752
(1,881,398)	(1,878,845)	(3,734,487)	955,324	1,262,189	1,915,796
\$ 4,175,228	\$ 570,962	\$ 2,883,922	\$ 8,060,546	\$ 9,312,340	\$ 14,499,548

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>
<b>GENERAL FUND</b>				
Reserved	\$ 20,005	\$ -	\$ -	\$ -
Unreserved	20,207,484	-	-	-
Nonspendable	-	121,491	208,379	317,836
Unrestricted				
Assigned	-	600,699	592,930	749,295
Unassigned	-	22,321,417	22,321,417	22,942,073
<b>TOTAL GENERAL FUND</b>	<b>\$ 20,227,489</b>	<b>\$ 23,043,607</b>	<b>\$ 23,122,726</b>	<b>\$ 24,009,204</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 9,459,952	\$ -	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	6,299,665	-	-	-
Capital Project Funds	6,399,997	-	-	-
Nonspendable	-	-	257,979	438,742
Restricted	-	16,263,555	17,517,983	17,361,269
Unrestricted				
Assigned	-	8,191,945	10,156,751	9,352,188
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 22,159,614</b>	<b>\$ 24,455,500</b>	<b>\$ 27,932,713</b>	<b>\$ 27,152,199</b>

Data Source

Audited Financial Statements

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

<b>4/30/2015</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>	<b>12/31/2018</b>	<b>12/31/2019</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
189,328	172,973	192,691	117,663	345,557	285,700
874,315	817,143	844,034	1,524,370	1,205,581	808,622
23,252,947	27,536,053	30,271,109	29,005,220	29,154,102	29,784,407
<u>\$ 24,316,590</u>	<u>\$ 28,526,169</u>	<u>\$ 31,307,834</u>	<u>\$ 30,647,253</u>	<u>\$ 30,705,240</u>	<u>\$ 30,878,729</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
399,794	370,479	232,130	178,480	46,394	20,075
24,540,110	22,074,564	18,683,413	24,378,960	37,423,894	38,005,083
10,270,809	13,329,568	13,329,568	31,177,516	8,418,536	5,486,796
<u>\$ 35,210,713</u>	<u>\$ 35,774,611</u>	<u>\$ 32,245,111</u>	<u>\$ 55,734,956</u>	<u>\$ 45,888,824</u>	<u>\$ 43,511,954</u>

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>
<b>REVENUES</b>				
Taxes	\$ 63,577,704	\$ 61,855,652	\$ 60,947,768	\$ 49,884,105
Intergovernmental	2,282,831	8,297,534	9,428,030	20,686,642
Grants and contributions	1,528,222	1,173,358	1,447,303	4,288,701
Charges for services	2,021,291	2,030,165	2,052,554	5,284,463
Licenses and permits	3,373,772	3,618,724	4,289,920	5,989,935
Fines and fees	5,530,326	5,595,692	6,051,687	755,196
Investment income	351,658	217,990	201,421	218,686
Rents and reimbursables	406,325	431,382	436,635	-
Miscellaneous	520,843	649,662	454,263	1,477,909
Total revenues	79,592,972	83,870,159	85,309,581	88,585,637
<b>EXPENDITURES</b>				
General government	5,771,441	5,890,843	4,698,107	4,277,526
Public safety	38,956,847	40,684,642	42,291,156	43,012,679
Highways and streets	9,457,575	9,250,565	11,089,158	12,460,690
Community development	5,214,087	5,073,806	5,129,100	2,600,895
Health and welfare	1,880,681	1,861,099	2,153,765	5,382,571
Capital outlay	7,106,267	7,053,543	8,358,862	11,467,725
Debt service				
Principal retirement	5,570,000	6,360,000	5,835,000	6,160,000
Interest and fiscal charges	2,580,096	2,199,945	1,739,404	1,624,978
Other charges	36,426	147,895	-	-
Total expenditures	76,573,420	78,522,338	81,294,552	86,987,064
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,019,552	5,347,821	4,015,029	1,598,573
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	2,855,000	19,595,000	-	7,755,000
Bond premium (discount)	34,909	395,279	-	862,170
Payment to escrow agent	(2,849,266)	(19,810,106)	-	(8,568,476)
Transfers in	1,693,003	2,982,025	5,775,747	3,613,688
Transfers (out)	(1,643,003)	(3,582,025)	(6,175,747)	5,213,688
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	90,643	(419,827)	(400,000)	8,876,070
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 3,110,195</b>	<b>\$ 4,927,994</b>	<b>\$ 3,615,029</b>	<b>\$ 10,474,643</b>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	10.69%	11.09%	9.32%	9.15%

Data Source

Audited Financial Statements

4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
\$ 50,917,170	\$ 44,424,290	\$ 52,461,991	\$ 52,586,094	\$ 55,446,489	\$ 56,037,492
21,621,147	15,246,238	22,252,920	24,022,799	22,424,922	28,544,577
4,699,535	1,834,378	2,267,546	985,445	3,055,844	685,589
5,230,607	3,758,085	5,192,297	5,909,847	8,127,866	3,225,423
5,862,746	4,317,478	6,529,300	6,211,862	6,382,208	4,834,759
804,726	500,620	710,352	664,035	625,309	5,944,102
182,615	88,530	355,443	689,104	1,312,157	1,720,017
-	-	-	-	-	-
1,135,234	855,968	1,071,368	1,074,637	2,015,330	1,464,130
90,453,780	71,025,587	90,841,217	92,143,823	99,390,125	102,456,089
4,636,827	3,219,631	4,680,170	4,471,299	4,552,993	4,946,789
44,609,076	33,515,656	46,071,577	46,398,789	50,975,181	52,144,753
13,140,609	8,854,213	13,114,009	12,623,702	13,500,715	13,962,880
2,268,019	1,577,298	5,955,261	7,974,896	2,186,836	4,686,797
5,469,806	3,951,512	2,331,430	2,280,772	6,610,045	2,228,965
12,133,539	7,277,852	14,224,083	19,935,951	34,512,902	19,259,834
6,475,000	6,455,000	5,215,000	4,995,000	5,240,000	5,650,000
1,442,549	1,400,954	2,459,907	2,094,718	2,078,904	2,110,912
-	-	-	-	-	110,752
90,175,425	66,252,116	94,051,437	100,775,127	119,657,576	105,101,682
278,355	4,773,471	(3,210,220)	(8,631,304)	5,347,821	(2,645,593)
7,625,000	-	32,900,000	-	9,530,000	7,985,000
460,605	-	2,022,953	-	469,318	1,516,526
-	-	-	-	-	(9,493,511)
9,444,113	6,755,513	915,000	6,898,372	1,711,000	2,924,649
(9,444,113)	(6,755,513)	(415,000)	(8,398,372)	(1,231,012)	(2,490,452)
1,940	-	-	-	-	-
8,087,545	-	35,422,953	(1,500,000)	10,479,306	442,212
\$ 8,365,900	\$ 4,773,471	\$ 32,212,733	\$ (10,131,304)	\$ 15,827,127	\$ (2,203,381)
9.15%	12.58%	8.81%	8.09%	7.93%	9.17%



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Railroad Property</b>	<b>Total Equalized Assessed Value</b>	<b>Estimated Actual Taxable Value</b>	<b>Total Direct Tax Rate</b>
2009	\$ 2,562,767,692	\$ 855,590,509	\$ 280,348,725	\$ 549,104	\$ 3,699,256,030	\$ 11,098,877,978	\$ 1.1080
2010	2,328,125,638	808,869,919	261,967,060	679,364	3,399,641,981	10,199,945,938	1.2540
2011	2,181,305,538	687,378,788	224,364,941	719,722	3,093,768,989	9,282,235,191	1.3850
2012	2,009,525,986	640,237,374	209,384,276	810,919	2,859,958,555	8,580,733,738	1.5320
2013	1,704,562,752	573,721,999	198,631,738	996,997	2,477,913,486	7,434,483,906	1.8180
2014	1,810,983,128	577,544,679	114,654,036	1,037,926	2,504,219,769	7,513,410,648	1.8160
2015	1,766,744,791	565,748,059	113,315,940	1,242,969	2,447,051,759	7,341,889,466	1.9250
2016	2,155,373,008	620,835,250	119,444,421	1,264,483	2,896,917,162	8,691,620,648	1.6650
2017	2,165,564,338	654,570,030	125,103,734	1,289,820	2,946,527,922	8,840,467,813	1.6960
2018	2,146,460,365	645,525,173	125,564,273	1,384,950	2,918,934,761	8,757,680,051	1.7580

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

Data Source

Cook County Tax Extension Office

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Levy Years

<b>Tax Levy Year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Tax rates per \$100 of EAV										
Village direct rates										
Village of Arlington Heights	0.7550	0.8660	0.9550	1.0620	1.2700	1.2690	1.3590	1.1820	1.2170	1.2650
Arlington Heights Memorial Library	0.3530	0.3880	0.4300	0.4700	0.5480	0.5470	0.5660	0.4830	0.4790	0.4930
Total Village direct rate	1.1080	1.2540	1.3850	1.5320	1.8180	1.8160	1.9250	1.6650	1.6960	1.7580
Overlapping rates										
County (including Forest Preserve)	0.4430	0.4230	0.5200	0.5940	0.6600	0.6370	0.6210	0.5960	0.5580	0.5490
Metro Reclamation District	0.2610	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.9600
School District #25	2.5100	2.8130	3.1010	3.4160	3.6590	3.6780	3.9900	3.4240	3.4880	3.6170
School District #214	1.6360	1.8390	2.0670	2.3240	2.7680	2.7760	2.8810	2.5270	2.5630	2.6690
School District #512	0.2580	0.2950	0.3340	0.3730	0.4440	0.4510	0.4660	0.4190	0.4250	0.4430
Park District's	0.3920	0.4500	0.4960	0.5450	0.6330	0.6360	0.6260	0.4880	0.4940	0.5140
Wheeling Township	0.0390	0.0430	0.0480	0.0520	0.0560	0.0520	0.0550	0.0410	0.0430	0.0430
Other	0.0500	0.0790	0.0590	0.0360	0.0420	0.0420	0.0410	0.0320	0.0340	0.0360
Total Tax Rate Per \$100 of EAV	6.6970	7.4700	8.3300	9.2420	10.4970	10.5180	11.0310	9.5980	9.7030	10.5890

Data Source

Cook County Tax Extension Office

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	2019 (based on 2017 EAV)			2011 (based on 2009 EAV)		
	Equalized Assessed Value*	Rank	Percentage of Total Village Equalized Assessed Valuation	Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
Luther Village	\$ 30,266,744	1	1.027%	\$ 54,374,690	1	1.470%
Arlington Park Racetrack	24,959,633	2	0.847%	33,488,771	3	0.905%
Lexus of Arlington	22,377,472	3	0.759%			
Town & Country Chicago	21,020,665	4	0.713%			
AmCap Northpoint LLC	19,602,887	5	0.665%	27,852,596	4	0.753%
Arlington Town Square	16,572,604	6	0.562%			
New Plan Excel Realty Trust	15,907,570	7	0.540%			
Hamilton Partners Inc.	14,430,485	8	0.490%			
Stonebridge Village	14,075,838	9	0.478%	16,396,086	8	0.443%
JRK Property Holdings	13,585,878	10				
Motorola	-	-	-	38,540,433	2	1.042%
Visonsi Companies	-	-	-	24,783,348	5	0.670%
Poer Tanglewood Apartments	-	-	-	22,216,060	6	0.601%
First American Prop	-	-	-	20,055,330	7	0.542%
Co Deloitte PTS	-	-	-	15,782,148	9	0.427%
Robert F Rohrman	-	-	-	15,620,821	10	0.422%
	<u>\$ 192,799,776</u>		<u>6.081%</u>	<u>\$ 269,110,283</u>		<u>7.275%</u>

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

Data Source

Official statements

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	-	30,820,062	97.95%
2014	31,778,207	31,203,688	98.19%	-	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	35,851,769	35,067,225	97.81%	-	35,067,225	97.81%
2018	36,923,947	36,039,985	97.61%	-	36,039,985	97.61%

Data Source

Cook County Tax Extension Office

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Gross General Obligation Bonds	Gross General Obligation Bonds	Capital Leases				
4/30/2011	\$ 59,185,000	\$ -	\$ -		\$ 59,185,000	1.96%	\$ 788.07
4/30/2012	53,730,000	-	-		69,410,000	2.69%	902.10
4/30/2013	48,423,632	-	-		64,545,000	2.50%	838.87
4/30/2014	42,636,145	-	-		78,295,000	3.03%	1,017.57
4/30/2015	43,986,033	-	-		73,330,000	2.84%	953.04
2015*	37,254,248	-	-		68,130,000	2.64%	885.46
2016	66,254,370	-	-		66,254,370	2.14%	882.20
2017	60,911,366	-	-		60,911,366	1.96%	811.06
2018	65,182,632	-	-		53,730,000	1.78%	715.44
2019	59,337,907	-	-		59,337,907	1.58%	790.11

Notes:

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*For the eight months ended December 31, 2015.

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

See the schedule of Demographic and Economic Information on page 165 for personal income and population data.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Less: Debt Payable from Enterprise Revenue	Total	(1) Percentage of Estimated Actual Taxable Value of Property	(2) Per Capita
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	-	60,271,400	0.65%	802.54
4/30/2014	42,636,145	1,117,003	-	76,078,572	0.89%	1,013.02
4/30/2015	43,986,033	989,407	-	71,367,105	0.96%	950.28
2015*	37,254,248	1,405,448	-	66,183,673	0.88%	881.26
2016	66,254,370	1,310,129	-	64,944,241	0.88%	864.76
2017	60,911,366	1,307,322	-	59,604,044	0.69%	793.65
2018	65,182,632	1,940,429	-	51,968,126	0.59%	691.98
2019	59,337,907	2,182,035	-	57,155,872	0.65%	761.05

Notes:

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

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*For the eight months ended December 31, 2015.

(1) See the schedule of Assessed Value and Actual Value of Taxable Property on page 156 for property value data. These ratios are calculated using levy year data.

(2) See the schedule of Demographic and Economic Information on page 165 for population data. These ratios are calculated using calendar year data.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2019

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the Village of Arlington Heights*</b>	<b>Village of Arlington Heights Share of Debt</b>
Village of Arlington Heights - General Obligation	\$ 59,337,907	100.000%	\$ 59,337,907
Total direct debt	59,337,907		59,337,907
Community College District 512	117,785,000	15.380%	18,115,333
Arlington Heights School District 25	45,075,000	96.770%	43,619,078
Cook County School District 15	34,771,203	3.120%	1,084,862
Cook County School District 21	69,085,000	23.560%	16,276,426
Cook County School District 59	9,435,000	13.710%	1,293,539
Prospect Heights School District 23	9,540,000	35.610%	3,397,194
Arlington Heights School District 214	35,285,000	33.650%	11,873,403
Cook County School District 57	7,405,000	3.850%	285,093
Cook County	2,950,121,750	1.960%	57,822,386
Forest Preserve of Cook County	142,360,000	1.960%	2,790,256
Metropolitan Water Reclamation District of Greater Chicago	2,348,253,000	2.000%	46,965,060
Arlington Heights Park District	14,320,000	97.020%	13,893,264
Buffalo Grove Park District	13,190,000	3.130%	412,847
Prospect Heights Park District	6,705,000	5.450%	365,423
Mount Prospect Park District	19,647,043	2.860%	561,905
Rolling Meadows Park District	2,291,000	0.070%	1,604
Palatine Park District	21,715,000	1.050%	228,008
Salt Creek Park District	2,306,000	35.070%	808,714
Total overlapping debt	5,849,289,996		219,794,395
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<b>\$ 5,908,627,903</b>		<b>\$ 279,132,302</b>

\*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 2017 Equalized Assessed Valuations.

Data Source

Cook County Tax Extension Office

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

## **LEGAL DEBT MARGIN**

December 31, 2019

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The Village is a home rule municipality.

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

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

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



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PLEDGED-REVENUE COVERAGE**

Last Ten Fiscal Years

Fiscal Year	Water Bonds			Special Assessment Bonds and/or Vouchers						
	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service			Current Special Assessment Billed	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
4/30/2011	\$ 12,888,535	\$ 13,750,981	\$ (862,446)	\$ -	\$ -	\$ -	\$ 35,447	\$ -	\$ -	\$ -
4/30/2012	13,130,609	13,483,848	(353,239)	-	-	0.00	30,650	-	-	0.00
4/30/2013	14,517,362	14,331,095	186,267	-	-	0.00	27,292	-	-	0.00
4/30/2014	14,242,813	14,178,337	64,476	-	-	0.00	23,027	-	-	0.00
4/30/2015	14,312,322	14,900,500	(588,178)	-	-	0.00	23,027	-	-	0.00
2015*	10,628,076	11,427,831	(799,755)	-	-	0.00	19,089	-	-	0.00
2016	17,215,415	17,051,595	163,820	-	-	0.00	15,128	-	-	0.00
2017	18,749,669	16,371,944	2,377,725	-	-	0.00	-	-	-	0.00
2018	19,377,436	16,976,949	2,400,487	-	-	0.00	-	-	-	0.00
2019	18,642,204	16,519,911	2,122,293	-	-	0.00	-	-	-	0.00

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

Notes:

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*For the eight months ended December 31, 2015.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

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<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b>	<b>Per Capita Personal Income</b>	<b>(2) Unemployment Rate</b>
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%
2015*	75,101	3,024,842,977	40,277	4.30%
2016	75,101	3,024,842,977	40,277	4.90%
2017	75,101	3,024,842,977	40,277	4.40%
2018	75,101	3,024,842,977	40,277	3.90%
2019	75,101	3,024,842,977	40,277	3.70% **

### Notes:

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*For the eight months ended December 31, 2015.

\*\*Unemployment rate (not seasonally adjusted) through March 2020.

### Data Sources

(1) U.S. Bureau of the Census

(2) Illinois Department of Employment Security

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019			2011		
	Rank	Number of Employees	Percentage of Total Village Employment	Rank	Number of Employees	Percentage of Total Village Employment
Arlington International Racecourse (Seasonal)	1	4,500	10.39%	1	4,500	12.36%
Northwest Community Healthcare	2	3,600	8.31%	2	4,000	10.99%
Arlington Heights High School District # 214	3	1,700	3.93%	3	1,703	4.68%
HSBC	4	1,500	3.46%			
Lutheran Home	5	800	1.85%	5	598	1.64%
Paddock Publications	6	500	1.15%	4	850	2.34%
Alexian Brothers Health System	7	500	1.15%	6	512	1.41%
Clearbrook	8	450	1.04%			
Kroeschell Inc	9	450	1.04%	8	450	1.24%
Village of Arlington Heights	10	450	1.04%	9	435	1.20%
Level 3 Communications, Inc		-		7	500	1.37%
Pace		-		10	300	0.82%
		14,450	33.36%		13,848	38.05%

### Data Sources

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

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>GENERAL GOVERNMENT</b>										
Manager's office	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.50	5.50	5.50
Human resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Legal	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Finance	16.50	17.50	17.50	17.50	18.00	18.00	17.50	17.50	17.50	17.00
Village Clerk	1.50	-	-	-	-	-	-	-	-	-
IT	6.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	5.00	5.00
GIS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
Buildings and grounds	7.00	7.00	-	-	-	-	-	-	-	-
<b>PUBLIC SAFETY</b>										
Police										
Officers	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
Civilian	31.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Fire										
Firefighters and officers	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00
Civilian	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00
<b>COMMUNITY DEVELOPMENT</b>										
Planning and community development	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00
Building	17.50	16.00	16.00	16.00	16.50	16.50	17.00	17.00	17.50	17.50
Engineering	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	-
<b>HEALTH AND WELFARE</b>										
Health services	10.00	9.50	9.50	9.50	9.50	9.50	10.00	10.00	9.50	9.50
Senior services	3.75	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
<b>HIGHWAYS AND STREETS</b>										
Public works	37.25	35.25	42.25	42.25	42.25	42.25	42.25	42.25	41.25	42.25
<b>OTHER PUBLIC WORKS</b>										
Water utility operations	41.25	40.25	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75
Fleet services	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
<b>TOTAL</b>	<b>434.50</b>	<b>427.00</b>	<b>427.25</b>	<b>427.25</b>	<b>427.25</b>	<b>427.25</b>	<b>428.25</b>	<b>428.75</b>	<b>426.75</b>	<b>417.25</b>

Notes:

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*For the eight months ended December 31, 2015

Data Source

Village of Arlington Heights Finance Department

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	4/30/2011	4/30/2012	4/30/2013	4/30/2014	4/30/2015	2015*	2016	2017	2018	2019
<b>PUBLIC SAFETY</b>										
Police										
Service calls	26,211	25,425	11,569	23,678	24,148	16,527	25,919	32,732	22,875	21,823
Total crime reported	3,815	3,232	1,111	2,270	2,196	2,019	2,559	2,189	1,937	2,049
Arrests	1,171	1,089	1,006	1,073	921	558	824	657	592	840
Citations issued	26,443	28,956	15,918	27,584	29,795	19,000	27,935	24,944	23,306	21,423
Fire										
Service calls (EMS)	6,718	6,688	3,283	6,667	6,779	4,648	7,581	7,369	7,515	8,063
Service calls (non-EMS)	3,576	3,349	1,559	3,266	3,286	2,101	2,620	2,676	2,814	2,644
<b>PUBLIC WORKS</b>										
Snow removal (miles)	53,188	51,795	24,843	91,651	52,072	14,727	51,044	18,541	60,762	62,784
Streets resurfaced (miles)	8.40	9.54	1.60	8.10	8.10	7.45	7.08	5.80	6.00	9.73
<b>WATER</b>										
Water main breaks	247	363	100	244	157	228	228	240	244	252
Sewer repairs	26	13	5	28	32	60	20	13	12	15
Average daily consumption	8.70 MGD	8.70 MGD	8.70 MGD	8.70 MGD	8.20 MGD	7.58 MGD	7.51 MGD	7.41 MGD	7.41 MGD	7.41 MGD

### Notes:

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*For the eight months ended December 31, 2015.

MGD - Million Gallons Daily

### Data Source

Various Village Departments

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>4/30/2011</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>	<b>2015*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>PUBLIC SAFETY</b>										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Marked police vehicles	45	45	44	44	44	44	44	44	33	35
Unmarked police vehicles	13	17	17	17	17	18	19	19	29	25
Police motorcycles	4	4	4	4	4	4	4	4	4	4
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire pumpers	6	6	6	6	6	5	5	5	5	5
Fire ladder trucks	2	2	2	2	2	2	2	2	2	2
Rescue squads	4	4	4	4	4	5	4	4	4	4
Ambulances	6	6	6	6	6	6	6	6	6	6
Utility vehicles	-	1	1	1	1	1	1	1	1	1
Boats with trailer	1	1	1	1	1	1	1	1	1	1
TRS rescue trailers	1	1	1	1	1	1	1	1	1	1
Public education trailers	1	1	1	1	1	1	1	1	1	1
Hazardous material vehicles	1	1	1	1	1	1	1	1	1	1
Administrative vehicles	9	9	9	7	7	8	8	8	8	8
<b>PUBLIC WORKS</b>										
Streets (miles)	230	230	230	230	230	230	241	241	241	241
Streetlights	3,212	3,212	3,212	3,212	3,865	3,865	3,865	3,865	3,865	3,865
Traffic signals	9,784	9,784	9,784	9,784	9,784	9,784	9,784	9,784	9,784	9,784
<b>WATER</b>										
Water mains (miles)	253	253	253	253	260	260	260	260	260	260
Fire hydrants	2,740	2,740	2,740	2,740	3,318	3,318	3,318	3,318	3,329	3,318
Storage capacity (gallons)	31,000,000	31,000,000	31,000,000	31,000,000	32,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
<b>WASTEWATER</b>										
Sanitary sewers (miles)	227	227	227	227	255	255	255	261	255	265
Storm sewers (miles)	163	163	163	163	213	213	213	228	213	236

Notes:

The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

\*Information for 2015 is for the eight months ended December 31, 2015.

Data Source

Various Village Departments