

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
December 31, 2020



**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, 2020

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-viii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-4
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-12
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position .....	5-6
Statement of Activities .....	7-8
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	12

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

---

	<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 .....	13-14
Statement of Revenues, Expenses, and Changes in Net Position.....	15
Statement of Cash Flows .....	16-17
Fiduciary Funds	
Statement of Fiduciary Net Position.....	18
Statement of Changes in Fiduciary Net Position.....	19
Notes to Financial Statements .....	20-75
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	76
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund .....	77
Police Pension Fund .....	78
Firefighters' Pension Fund .....	79
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	
Police Pension Fund .....	80-81
Firefighters' Pension Fund .....	82-83
Illinois Municipal Retirement Fund .....	84
Schedule of Changes in the Employer's Total OPEB Benefit Liability and Related Ratios	
Other Postemployment Benefits Plan.....	85
Schedule of Investment Returns	
Police Pension Fund .....	86
Firefighters' Pension Fund .....	87
Notes to Required Supplementary Information .....	88

**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 .....	89
Schedule of Revenues - Budget and Actual .....	90-92
Schedule of Expenditures - Budget and Actual.....	93
Schedule of Detailed Expenditures - Budget and Actual .....	94-96
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Debt Service Fund .....	97
Capital Projects Fund .....	98

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet - Nonmajor Governmental Funds .....	99-100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds .....	101-102
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	103
Community Development Block Grant Fund.....	104
Affordable Housing Fund.....	105
Zero Interest Loan Fund .....	106
Foreign Fire Insurance Fund .....	107
Criminal Investigations Fund .....	108
Municipal Parking Operations Fund .....	109
TIF IV Fund.....	110
TIF V Fund .....	111
Hickory Kensington TIF Fund .....	112
Stormwater Control Fund .....	113
Public Building Fund.....	114

**PROPRIETARY FUNDS**

Water and Sewerage Fund	
Statement of Net Position .....	115-116
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual .....	117
Schedule of Operating Expenses - Budget and Actual.....	118-120

**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.....	121
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	122
Combining Statement of Cash Flows.....	123-124
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual -	
Solid Waste Disposal Fund .....	125
Arts, Entertainment, and Events Fund.....	126

**INTERNAL SERVICE FUNDS**

Combining Statement of Net Position.....	127-128
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	129-130
Combining Statement of Cash Flows.....	131-132
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual -	
Health and Life Insurance Fund .....	133
General Liability Insurance Fund .....	134
Workers' Compensation Fund.....	135
Fleet Operations Fund .....	136
Technology Fund.....	137

**FIDUCIARY FUNDS**

**PENSION TRUST FUNDS**

Combining Statement of Fiduciary Net Position .....	138
Combining Statement of Changes in Fiduciary Net Position .....	139
Schedule of Changes in Fiduciary Net Position - Budget and Actual -	
Police Pension Fund .....	140
Firefighters' Pension Fund .....	141

**CONSOLIDATED YEAR END FINANCIAL REPORT**

Consolidated Year End Financial Report.....	142
---	-----

**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 .....	143
General Obligation Refunding Bonds, Series 2012A .....	144
General Obligation Bonds, Series 2016 .....	145
General Obligation Bonds, Series 2018 .....	146
General Obligation Refunding Bonds, Series 2019 .....	147
General Obligation Bonds, Series 2020 .....	148

**STATISTICAL SECTION**

Financial Trends	
Net Position by Component .....	149-150
Change in Net Position.....	151-154
Fund Balances of Governmental Funds .....	155-156
Changes in Fund Balances of Governmental Funds .....	157-158
Police Pension Fund Tax Levies and Contributions .....	159
Firefighters' Pension Fund Tax Levies and Contributions .....	160
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property .....	161
Direct and Overlapping Property Tax Rates .....	162
Principal Property Taxpayers .....	163
Property Tax Levies and Collections .....	164
Debt Capacity	
Ratios of Outstanding Debt by Type.....	165
Ratios of General Bonded Debt Outstanding.....	166
Direct and Overlapping Governmental Activities Debt.....	167
Legal Debt Margin .....	168
Pledged Revenue Coverage.....	169
Demographic and Economic Information	
Demographic and Economic Information.....	170
Principal Employers .....	171
Operating Information	
Full-Time Equivalent Employees .....	172
Operating Indicators .....	173
Capital Asset Statistics .....	174

## **INTRODUCTORY SECTION**



VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL OFFICERS

DECEMBER 31, 2020

---

**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..... Hart Passman

Village Clerk..... Rebecca Hume

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

Human Resources Manager ..... Mary Rath

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 ..... Jorge Torres

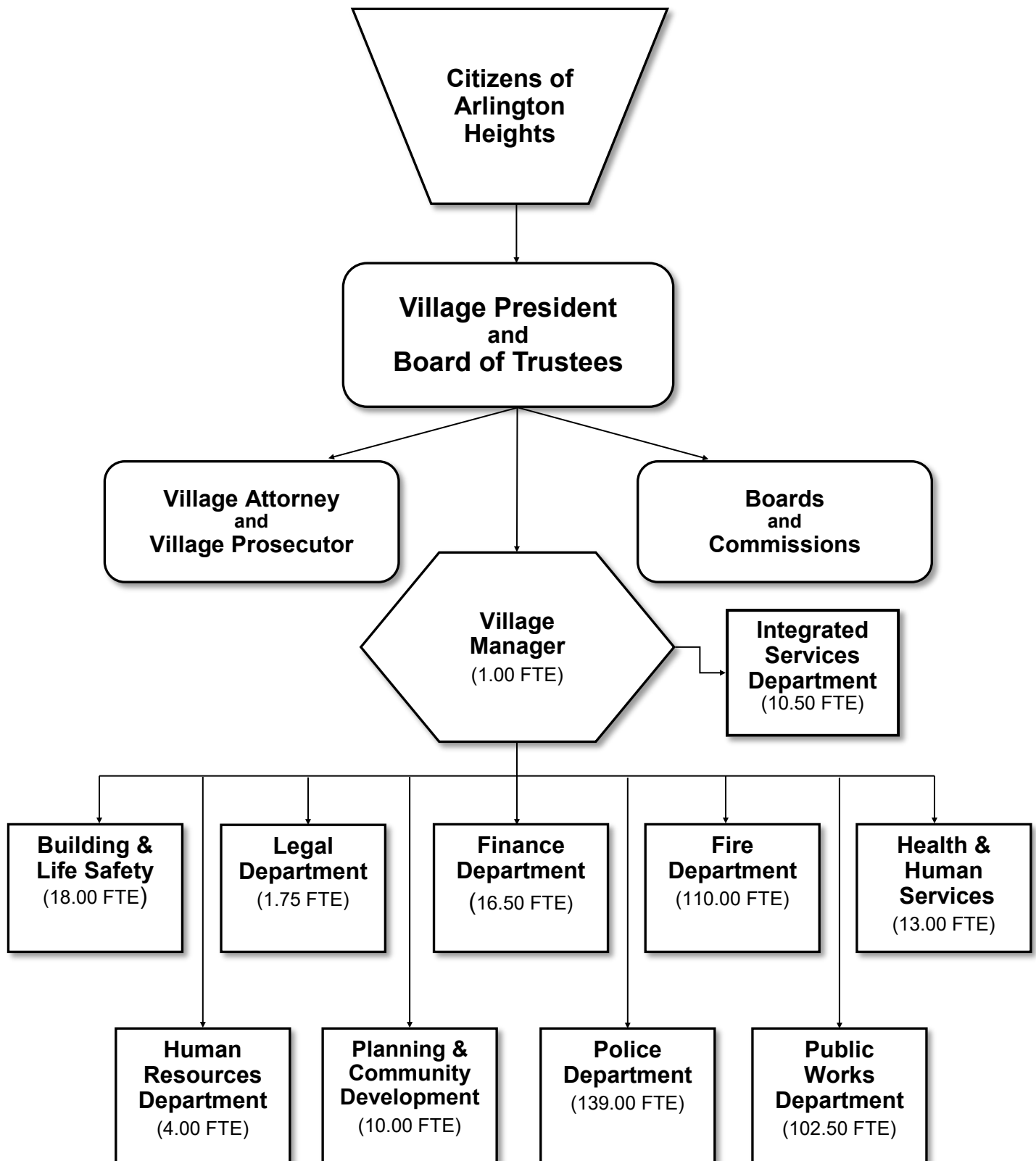
Director of Health and Human Services .....James McCalister

Public Works Director .....Scott Shirley

# **VILLAGE OF ARLINGTON HEIGHTS**

**(426.25 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, 2019

*Christopher P. Morill*

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 15, 2021

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

The Comprehensive Annual Financial Report of the Village of Arlington Heights (Village) for the year ended December 31, 2020, 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, 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, 2020, 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, 2020, 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 7,950 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 72% residential and 28% 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 41.4% 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 biennial five-year capital improvement program and an annual 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 has remained healthy as the key operating funds, the General Fund and the Water & Sewer Fund, have both retained comfortable reserves. The economic downturn caused by the coronavirus pandemic has been lengthy and the effects of the pandemic are still present. During the past year, the Village has been able to retain a stable financial position while taking steps to help our residents and businesses through the coronavirus crisis. Noteworthy Covid-19 support efforts follow:

- Implementation of Arlington Alfresco outdoor dining
- Covid-19 small business relief loan program
- Emergency Assistance Fund for families in need
- Reduction of Liquor License Fees
- 0% property tax increase

The Village's efforts to be fiscally conservative while monitoring the financial climate at the state and federal levels allows the Village to ensure its economic strength will be maintained. The Village's strength is also demonstrated by the new businesses that have opened in the Village. Arlington Downs is the site of a \$320 million multi-use redevelopment. The site includes luxury apartments, plans for new restaurants, retail shops, and a new separate hotel building located within the planned unit development. The Arlington Downs development is expected to be fully completed over the next few years. The development of Sigwalt 16, which will consist of 16 townhouses within three buildings, Hamilton Partners 300,000 square foot distribution warehouse, Chez Hotel, and the Amazon Warehouse/Distribution facility commenced construction. Another large project is Arlington 425, a \$150 million development consisting of a three-building residential and commercial campus along with a six-story parking garage. In addition to Arlington 425, the departure of the Arlington Race Track will provide the opportunity to develop the sizeable 326-acre area into a single-use development or a mixed-use development that will substantially benefit the Village.

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 new Tax Increment Financing District at South Arlington Heights Road will allow for redevelopment of the 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, 2020; 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 \$6.1 million was spent on the ongoing street resurfacing and street reconstruction programs.
- \$6.4 million was spent on water and sewer rehabilitation and replacement projects.
- Other significant capital expenses included:
  - \$1,077,900 toward the replacement of Village vehicles
  - \$973,600 on storm water control improvements
  - \$543,300 for municipal parking lot improvements including a downtown Parking Guidance system

### **Relevant Financial Policies and Practices**

**Cash management policies and practices** – Cash temporarily idle during the year was invested in money market funds, certificates of deposit, the Illinois Metropolitan Investment Fund (IMET) and the Illinois State Treasurer's pool (Illinois Funds). The maximum maturity for the certificates of deposit is 1 1/2 years. The public safety pension funds can usually earn a higher rate of interest because their investment term is longer and they are permitted to invest a portion of their monies in equities. However, annual Police and Fire pension fund losses or gains are smoothed over a three-year period. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the Village intends to hold to maturity. Investments are made in accordance with State statutes and Village policy. The Village Board adopted a revised Investment Policy covering all funds it governs in 2020. Police and Firefighters' pension funds are covered by separate policies because these funds are governed by separate boards.

**Risk management** – The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of Illinois municipalities which have formed an association to pool its risk management needs. The Village offers to its employees five basic types of health insurance plans: a conventional HMO plan, a Blue Advantage HMO plan comprised of a smaller, more localized network, a self-insured PPO plan, a Core PPO and a high deductible PPO, which are all administered by a third party. All of the Village's health plan options are offered to retirees who pay their insurance premiums in full that are under

65. Medicare-eligible retirees, who pay their insurance premiums in full, are offered a separate fully-insured group retiree medical plan. The Village is protected from catastrophic losses in the self-insured plan through the purchase of a stop-loss insurance policy. One of the functions of the Village's risk management operation is to organize various health and safety programs to minimize insurance related losses.

**Pension and other post-employment benefits** – The Village's sworn police officers participate in the Police Pension Employees Retirement System (PPERS), which is a single employer, defined benefit plan governed by a five-member pension board. The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS), which is a single employer, defined benefit plan governed by a five-member pension board. The defined benefits and employee contribution levels of both pension funds are governed by Illinois State statutes. The Village is authorized to approve the actuarial assumptions used to determine employer contribution levels. The most recent actuarial valuation as of December 31, 2020 reflects funding levels of 90% for the Police Pension Fund and 83% for the Firefighters' Pension Fund on an actuarial basis.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. The actuarial valuation for the Village's portion of IMRF as of December 31, 2020 reflects a funding level of 92%. It should be noted that the IMRF's funding level is just for the Village's active IMRF participants as IMRF retirees' pensions are 100% funded. Additional information on the Village's pension arrangements can be found in Note #4 (Other Information, Employee Retirement System – Defined Benefit Pension Plans) in the financial statements.

#### **Other Efforts**

Implementation of DACRA, a new Administrative Adjudication software.

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 for period ended December 31, 2019. This was the thirty-first 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 Comprehensive Annual Financial Report. This report satisfied both GAAP and applicable legal requirements.

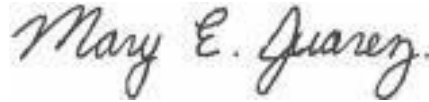
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Thomas F. Kuehne  
Finance Director/Treasurer



Mary E. Juarez  
Assistant Finance Director



## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2020, 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 27.48%, 29.33%, and 2.48% 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. The financial statements of the NWWC were not conducted in accordance with *Government Auditing Standards*.

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, 2020, 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**

As described in Note 15 to the financial statements, the Village previously adopted Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*. The new standard required the Village to recognize a liability, deferred inflow and deferred outflow in its government-wide financial statements for the net pension liability associated with its pension plan.

In 2020, the Village made a determination to report information from the December 31, 2019 actuarial valuation for the Illinois Municipal Retirement Fund. In order to continue its dedication to timely financial reporting, the Library adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses, modified certain disclosures in the notes to financial statements and required supplementary information. Therefore, the related accounts were restated for the prior year to reflect the net pension liabilities and deferred outflows as of December 31, 2018. Our opinion is not modified with respect to these 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 information, 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 information, 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.

We also 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, 2019, and we 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 2019 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 2019 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 15, 2021, 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 15, 2021

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

**December 31, 2020**

---

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

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on Page iii) and the Village's financial statements (beginning on Page 3).

### **Financial Highlights**

- The Village's total net position increased by \$24.6 million or 11.7% during the calendar year ending December 31, 2020. The governmental net position increased by \$13.3 million and the business-type activities net position increased by \$11.3 million.
- The Village's combined Governmental Funds ending fund balance increased by \$10.8 million.
- At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$30,408,285 or 41.4% 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 5-8) 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 7-8) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

### **Fund Financial Statements**

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

(See independent auditor's report.)

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

---

### *Governmental Funds*

The Governmental Major Fund presentation (see Pages 9 and 11) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clean and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Village maintains 17 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service and Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

### *Proprietary Funds*

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

Proprietary Fund Financial Statements (see Pages 13-17) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water & Sewer Fund is considered a major fund of the Village and is presented in a separate column in the Proprietary Fund Financial Statements. The Solid Waste Disposal Fund is the Village's only non-major enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Funds is presented elsewhere in the report.

### *Fiduciary Funds*

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension Fund and Firefighters' Pension Fund, see Pages 18-19). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Statements.

While the Business-type Activities column on the Proprietary Fund Financial Statements is the same as the Business-type column at the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see Pages 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 209-75 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Pages 76-88 of this report. The combining and individual fund statements for the governmental, enterprise and internal service funds are presented on Pages 89-141 of this report, immediately following the required supplementary information.

(See independent auditor's report.)



# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Infrastructure Assets

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

### GOVERNMENT-WIDE STATEMENTS

#### Statement of Net Position

The Village's combined net position increased by \$24.6 million from 2019, increasing from \$184.5 million (restated) to \$209.1 million. The largest portion of the Village's net position (\$183.2 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 \$13.3 million from \$134.7 million (restated) to \$148.0 million. The business-type activities net position increased by \$11.3 million from \$49.8 million (restated) to \$61.1 million. Table 1 reflects the condensed Statement of Net Position compared to 2019. 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, 2020 (In Millions)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current & Other Assets	\$ 161.1	\$ 153.2	\$ 32.7	\$ 25.3	\$ 193.8	\$ 178.5
Capital Assets	207.4	211.5	32.5	29.8	239.9	241.3
<b>Total Assets</b>	<b>368.5</b>	<b>364.7</b>	<b>65.2</b>	<b>55.1</b>	<b>433.7</b>	<b>419.8</b>
Deferred Outflows of Resources	14.5	11.4	2.5	2.0	17.0	13.4
<b>Liabilities</b>						
Current Liabilities	9.7	17.8	0.4	1.3	10.1	19.1
Long-Term Liabilities	150.9	159.5	4.7	4.7	155.6	164.2
<b>Total Liabilities</b>	<b>160.6</b>	<b>177.3</b>	<b>5.1</b>	<b>6.0</b>	<b>165.7</b>	<b>183.3</b>
Deferred Inflows of Resources	74.4	64.9	1.5	1.5	75.9	66.4
<b>Net Position*</b>						
Net Investment in Capital Assets**	154.3	148.5	32.5	29.8	183.2	178.3
Restricted	34.2	35.2	0.0	0.0	34.2	35.2
Unrestricted	(40.5)	(49.8)	28.6	19.8	(8.3)	(30.0)
<b>Total Net Position</b>	<b>\$ 148.0</b>	<b>\$ 133.9</b>	<b>\$ 61.1</b>	<b>\$ 49.6</b>	<b>\$ 209.1</b>	<b>\$ 183.5</b>

\*2019 net position was restated to \$134.7, \$49.8 and \$184.5 million for the respective categories, amounts presented above reflect the 2019 information as it was originally presented.

\*\*See the Statement of Net Position for additional information on the net investment in capital assets calculation.

(See independent auditor's report.)

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

---

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

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

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

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

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

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

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

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

### **Current Year Impacts on Net Position**

The Village's \$24.6 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$13.3 million and the business-type activities net position increasing \$11.3 million. The governmental activities total assets and deferred outflow of resources increased by \$6.9 million and the governmental activities total liabilities and deferred inflows of resources decreased by \$7.2 million.

The governmental activities total assets increase of \$3.8 million is due to a 7.9 million increase in current and other assets and a \$4.1 million decrease in capital assets. The governmental activities current assets increase is mainly from the increase in the cash position from Bond Proceeds and the surplus of revenues over expenditures. The \$4.1 million decrease in capital assets was mainly from the current year annual depreciation which decreases capital assets.

The large decrease in total liabilities of \$16.7 million is attributable to Accounts Payable and noncurrent liabilities due in more than one year. Net Pension Liabilities were \$15.1 million under the prior year due to budgeted Village and Employee contributions and the Net Investment Income received during the year, which lower the pension liability. This amount was offset by the increase in the Bonds Payable of \$6 million. In addition, Accounts Payable decreased \$4 million mainly due to the Capital Projects Funds.

The Village's other post-employment benefits (OPEB) obligation decreased by \$1.5 million due the decrease in the discount and healthcare rate. 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)

The Village reports a deferred outflow of resources for the unamortized loss on refunding that reflects the difference between the amount required to repay the old debt and the net carrying amount of the old debt. The Village reports deferred inflows of resources related to the 2020 property tax levy, which was levied in December 2020, but will not be collected and distributed to the Village until calendar year 2021.

The total assets of the business-type activities increased by \$10.1 million from \$55.1 million to \$65.2 million. This was mainly due to the Operating Transfer in from the Capital Projects Fund's Bond Proceeds and the increase of additional Storm Sewers. This cash inflow was offset by an increase of Operating Expenses over prior year in the Water and Sewer Fund along with the depreciation on existing water and sewer buildings and infrastructure.

Total liabilities of business-type activities decreased \$900,000 mainly from a decrease in Accounts Payable and Accrued Payroll.

### Changes in Net Position

The Village's combined net position increased by \$24.6 million from a restated \$184.5 million to \$209.1 million in 2020. The Village's total revenue (net of transfers) increased by \$700,000. The Village's cost of all programs decreased by \$7.0 million. The following table shows the condensed revenues and expenses of the Village's activities:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Revenue</b>						
Program Revenues						
Charges for Services	\$ 11.3	\$ 13.8	\$ 22.7	\$ 21.4	\$ 34.0	\$ 35.2
Operating Grants	5.9	3.3	0.0	0.0	5.9	3.3
Capital Grants	0.0	2.0	0.0	0.0	0.0	2.0
General Revenues						
Property Taxes	39.1	38.4	0.0	0.0	39.1	38.4
Other Taxes	39.5	41.6	0.0	0.0	39.5	41.6
Other Revenue	4.4	3.3	1.5	1.3	5.9	4.6
<b>Total Revenues</b>	<b>\$ 100.2</b>	<b>\$ 102.4</b>	<b>\$ 24.2</b>	<b>\$ 22.7</b>	<b>\$ 124.4</b>	<b>\$ 125.1</b>
<b>Expenses</b>						
Governmental Activities						
General Government	3.6	5.3	0.0	0.0	3.6	5.3
Public Safety	42.5	49.9	0.0	0.0	42.5	49.9
Highways & Streets	23.0	25.0	0.0	0.0	23.0	25.0
Community Development	5.1	5.2	0.0	0.0	5.1	5.2
Health & Welfare	2.3	2.4	0.0	0.0	2.3	2.4
Interest	1.9	2.4	0.0	0.0	1.9	2.4
Business Type						
Water & Sewer	0.0	0.0	19.4	17.9	19.4	17.9
Solid Waste Disposal	0.0	0.0	1.5	1.6	1.5	1.6
Arts, Ent. & Events	0.0	0.0	0.5	0.9	0.5	0.9
<b>Total Expenses</b>	<b>\$ 78.4</b>	<b>\$ 90.2</b>	<b>\$ 21.4</b>	<b>\$ 20.4</b>	<b>\$ 99.8</b>	<b>\$ 110.6</b>
<b>Change in Net Position Before Transfers</b>	<b>\$ 21.8</b>	<b>\$ 12.2</b>	<b>\$ 2.8</b>	<b>\$ 2.3</b>	<b>\$ 24.6</b>	<b>\$ 14.5</b>
<b>Transfers</b>	<b>\$ (8.5)</b>	<b>\$ 0.4</b>	<b>\$ 8.5</b>	<b>\$ (0.4)</b>	<b>\$ -</b>	<b>\$ -</b>
Change in Net Position	13.3	12.6	11.3	1.9	24.6	14.5
Beginning Net Position - As Restated	134.7	121.3	49.8	47.7	184.5	169.0
<b>Ending Net Position</b>	<b>\$ 148.0</b>	<b>\$ 133.9</b>	<b>\$ 61.1</b>	<b>\$ 49.6</b>	<b>\$ 209.1</b>	<b>\$ 183.5</b>

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

---

### Normal Impacts on Revenues and Expenses

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

#### Revenues:

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

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

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

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

#### Expenses:

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

**Increase/Decrease in Authorized Personnel** – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 84% of the Village’s General Fund and 29% of Water & Sewer Fund operating costs.

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

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

(See independent auditor’s report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

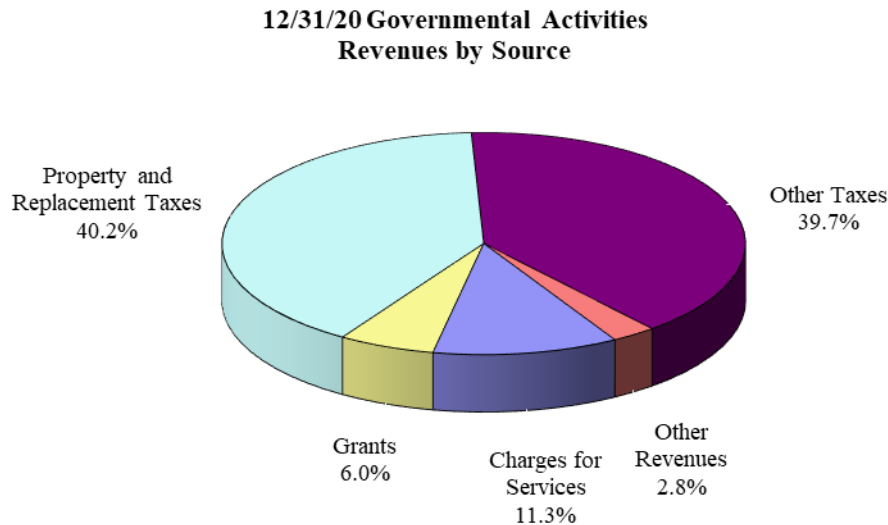
## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

---

### Current Year Impacts

#### Governmental Activities

##### Revenues:



For the fiscal year ended December 31, 2020, revenues from Governmental Activities totaled \$100.2 million, which was \$4.5 million (net of transfers) less than the prior year total. During the fiscal year property and replacement taxes continued to be one of the Village's largest revenue categories coming in at \$39.7 million and representing 39% of total Government Activity revenue. This includes property tax increment revenue generated by the Village's tax increment financing (TIF) districts, which brought in \$2.5 million during the calendar year. Property tax receipts increased about \$1.2 million compared to the prior calendar year. This is largely a result of an overall increase of tax receipts during the year for the General Fund.

Other taxes, including sales tax revenues combined with the telecommunications tax, food and beverage tax, use tax, home-rule sales tax, shared State income tax revenues, and other miscellaneous taxes total \$39.5 million representing 39.4% of the total Governmental Activity revenue. Village sales tax receipts decreased by about \$434,000. Income tax receipts came in higher than last year increasing by about \$167,500. Telecommunication tax receipts decreased by about \$488,000 or 21% from more residents that have decreased the use of land lines. Electric and natural gas utility tax receipts decreased by about \$328,400.

Charges for Services came in at \$11.3 million or 11.2% 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 decreased by about \$2.5 million due in large part to the loss of revenue from the Pandemic for Permits that affected licenses and Parking Fees from the Stay at Home Order.

Grants increased by about \$.6 million from the prior year. This increase is due primarily to Grant revenue recognized from the CARES Grant to offset Revenue losses from the Pandemic.

(See independent auditor's report.)

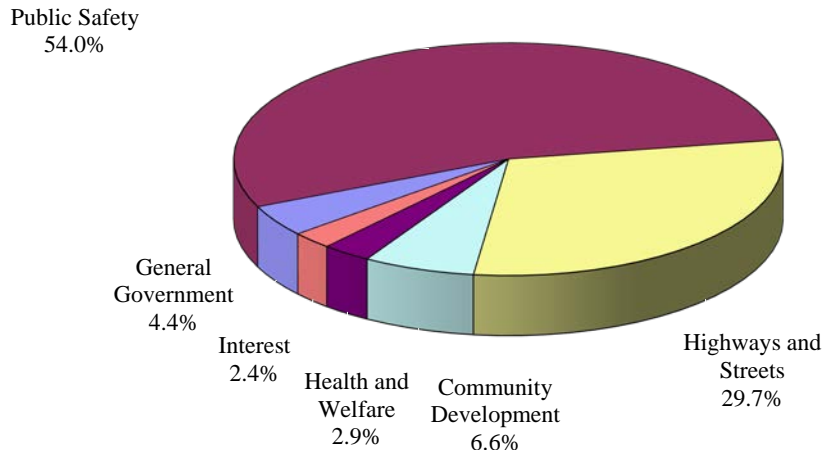
# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

---

### Expenses:

#### 12/31/20 Governmental Activities Expenses by Function



For the year ended December 31, 2020, expenses from Governmental Activities totaled \$78.4 million, a decrease of \$11.9 million (net of transfers) or 13.2% under the prior year. This decrease was mainly due to less spending on Contractual Services, Commodities and Capital Outlay during the Pandemic.

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 \$5.1 million (net of transfers). Water and sewer rates increased 8.5% per the Village's five-year rate plan. The rate adjustment allows the Village to make necessary water main replacements to the water and sanitary sewer infrastructure. Solid Waste Disposal revenues decreased by approximately \$50,000 from the prior year.

#### Expenses:

Expenses from business-type activities increased by about \$4.7 million (net of transfers) compared to the prior year. The main reason was due to an increase in the Water and Sewer Fund expenditures Capital Outlay net of Assets Capitalized of \$6.1 million, which was offset by a decrease of \$900,000 in Personal Services in the Water and Sewer and Arts, Entertainment and Events Fund, along with a \$560,000 combined decrease of Contractual and Commodities charges in the Business-Type Activity Funds

(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	\$ 78,436,500	\$ 78,526,500	\$ 72,830,221
Expenditures	78,436,500	78,788,478	73,471,976
Excess of Revenues			
Over Expenditures	\$ -	\$ (261,978)	\$ (641,755)
Other Financing Sources (Uses)	200,000	200,000	350,000
<b>Net Changes in Fund Balance</b>	<b>\$ 200,000</b>	<b>\$ (61,978)</b>	<b>\$ (291,755)</b>

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

***Governmental Funds***

At December 31, 2020, the Governmental Funds (as presented on Page 9-11) reported a combined fund balance of \$85,231,611, which is a 15% increase from the beginning of the year balance of \$74,390,683. Of the total fund balance, \$28,888,256 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 \$47,908,521 include \$2,098,100 for debt service, \$19,545,899 for capital projects, \$1,920,876 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), \$4,926,106 for highways and streets (MFT Fund), \$9,339,336 for Stormwater Control, and \$10,078,204 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 \$8,191,902 includes \$1,058,905 for Public Building, \$5,612,968 for public parking, \$691,700 for other miscellaneous purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund decreased by \$291,755 or 1.0% compared to December 31, 2019. Revenues came in less than expenditures by \$641,755 mainly from the decrease of Hotel, Food & Beverage, and Sales Tax over the prior year due to the impact of the Pandemic on the local hospitality industry of Arlington Heights.

The Debt Service Fund is used to account for the general long-term debt. The total fund balance of the Debt Service Fund of \$2,098,100 decreased by \$83,935 compared to \$2,182,035 at December 31, 2019. Property Taxes decreased by \$169,230, along with decreases to Investment Income.

The Capital Projects Fund accounts for the costs of capital improvement and equipment replacement. The total Fund Balance increased by \$5,637,740 from \$11,100,698 to \$16,738,438 at December 31, 2020. The increase in Fund Balance was mainly from the combination of Revenues surpassing Expenditures by \$2.2 million and Bond proceeds and Transfers in of \$3.4 million.

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

---

### *Proprietary Funds*

At December 31, 2020 the Proprietary Funds (as presented on Pages 13-17) total net position increased by \$11.3 million or 23%. Accumulated depreciation increased by \$1.5 million and depreciable assets increased by \$4.4 million.

In the Water & Sewer Fund cash and investments increased by \$6.1 million due to operating transfers in of \$9 million from the Capital Projects Fund. This cash inflow was offset by planned expenses and Capital Outlay coming in higher than revenues by \$3.1 million, along with an operating transfer out of \$500,000 to the Storm Water Control Fund. In addition, the Village received a Resiliency Grant for \$728,500 from the Northwest Water Commission. Solid Waste Disposal Fund cash and investments decreased by \$45,700 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 \$202,400.

Over the course of the fiscal year, as shown on pages 93-96 the Village amended the General Fund expenditure budget at various times for a total of \$351,978 or .5% over the original budget. The expenditure budget amendments can be summarized as follows:

\$261,978	Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year.
-----------	---

<u>\$90,000</u>	Miscellaneous Budget Amendments.
-----------------	----------------------------------

<u>\$351,978</u>	Total General Fund expenditure budget amendments.
------------------	---

General Fund revenues ended the fiscal year \$3.4 million under the final budget from revenue losses from the effects of the Pandemic on the economy. Sales, Home rule sales, Hotel and Food/beverage tax receipts were a combined \$2.2 million under budget. In addition, Liquor and Vehicle licenses came in \$372,700 under budget. Building permits came in \$280,000 under Budget. Income tax receipts outperformed the budget by \$186,340, along with State Use Tax increase of \$691,000 due to Internet sales. Cable Franchise fees came in under budget by \$120,000. Electric utility tax receipts came \$270,000 under budget, along with natural gas utility tax receipts coming in under budget by \$138,000. Building permit revenue came in under budget by \$280,000. Telecommunications tax receipts came in under budget by \$287,000. Ambulance service charges came in under budget by \$68,000. Other Grants came in over budget by \$754,000 primarily from Cares Grants received to help offset Pandemic Revenue losses.

The year-end results for General Fund expenditures were positive as expenditures came in under budget by \$3,180,802. Of this amount, salary and fringe benefit expenditures for the Police and Public Works Department came in under budget by \$1.8 million, due to normal and temporary workers' compensation related vacancies. Contractual Services, Commodities and Other Charges were below budget across all departments by \$1.3 million.

The General Fund's total net change in fund balance decreased by \$291,755 as a result of revenues coming in under expenditures by \$641,755, with an offset from other financing sources totaling \$350,000.

(See independent auditor's report.)



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

**CAPITAL ASSETS**

At the end of 2020, the Village had a combined total of \$239.9 million invested in a broad range of capital assets including police and fire equipment, buildings, Village facilities, roads, and water and sewer lines. The following tables summarize the changes in Capital Assets which are presented in detail on Pages 41-42 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net decrease (including additions and deletions) of \$1.35 million. Table 5 focuses on the changes in capital assets of the governmental and business-type activities.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$12.00	\$12.00	\$3.12	\$3.12	\$15.12	\$15.12
Land Right-of-Way (ROW)	84.50	81.60	--	--	84.50	81.60
Construction in Progress	0.30	6.60	--	0.12	0.30	6.60
Building	74.00	77.20	7.90	8.30	81.90	85.50
Machinery & Equipment	9.10	9.50	2.20	1.81	11.30	11.31
Infrastructure (Streets)	27.50	24.70	--	--	27.50	24.70
Underground Systems (Water & Sewer)	--	--	19.30	16.42	19.30	16.42
<b>Total Capital Assets, Net</b>	<b>\$207.43</b>	<b>\$211.48</b>	<b>\$32.52</b>	<b>\$29.77</b>	<b>\$239.90</b>	<b>\$241.25</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>	\$211.48	\$29.77	\$241.25
<b>Additions</b>			
Depreciable	5.30	4.40	9.70
Non-Depreciable	3.30	-	3.30
CIP	-	-	-
<b>Retirements</b>			
Depreciable	(0.70)	-	(0.70)
Non-Depreciable	-	-	-
CIP	(6.60)	(0.12)	(6.72)
<b>Depreciation</b>	(6.00)	(1.53)	(7.53)
Retirement	0.60	-	0.60
<b>Ending Balance</b>	<b>\$207.43</b>	<b>\$32.52</b>	<b>\$239.90</b>

The governmental activities net capital assets decreased by \$4.05 million due primarily to retirements and depreciation on existing assets. Depreciation Expense was \$6.0 million for the current year. For business-type activities, the capital assets net of depreciation increased by \$2.75 million or 9.24% due primarily to the addition of Infrastructure consisting of Storm Sewers.

(See independent auditor's report.)

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

---

### **DEBT OUTSTANDING**

As of December 31, 2020, total General Obligation Bonds outstanding for governmental activities amounted to \$62 million. Of this amount, \$40.9 million for reconstruction of public buildings, \$550,000 for the NWCDs building, \$2.6 million is for road improvements, \$8.9 million for Storm Water Sewer Improvements, \$1.4 million for Parking Lot Infrastructure Improvements, and \$7.7 million for Water Main Replacements. 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 2020 citing the Village's well-managed financial operations and that the village has continued to fully fund the Police and Fire pension plans. Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements on Pages 44-45.

### **ECONOMIC FACTORS AND NEXT YEAR'S 2021 BUDGET**

During the past year, the Village has experienced the implications of the COVID-19 recession. The COVID-19 recession was particularly devastating to the hospitality and entertainment industry, as well as to retail businesses that had to shut down or reduce services due to mitigation strategies. The significant decline in local economic activity, caused a cyclical decrease in the taxes, licenses and fee revenues that are received by Village's Funds. Due to the impact of the local community's economy on the General Fund, which pays for most Village services, except for water and sewer expenses, the Village has taken steps to help our residents and businesses through the coronavirus crisis. In addition, the Village tightened its expenditures where possible and was also fortunate to receive Cares Grants during 2020, which helped to partially alleviate the financial stress. While several revenues are projected to come in under budget, Property Tax receipts seems to have remained stable and Use Tax receipts rose due to the increase of Internet sales during the Pandemic. Due to current and past year's budgeting policies that have been put in place, the Village has maintained a strong fund balance throughout the pandemic. During 2021, the Village and the local community will start to recover from the pandemic, but this will be a slow process, and several revenues are projected to still come in under budget. The Village is scheduled to receive Stimulus Funds from the Federal Government which will relieve some of the financial pressures from the Pandemic. Going forward, the Village will continue to budget conservatively to maintain a stable fund balance, while providing and improving services as technology and the economy changes.

### **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, 2020

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 108,851,793	\$ 11,265,286	\$ 120,117,079
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	39,501,600	-	39,501,600
Other taxes	7,502,689	-	7,502,689
Customer accounts	-	2,831,032	2,831,032
CDBG rehabilitation loans	1,978,724	-	1,978,724
Grants	505,588	-	505,588
Other	2,241,951	-	2,241,951
Prepaid expenses	233,510	129,780	363,290
Inventory	274,104	547,590	821,694
Investment in joint venture	-	17,921,049	17,921,049
Capital assets not being depreciated	96,818,160	3,124,150	99,942,310
Capital assets being depreciated (net of accumulated depreciation)	110,620,224	29,393,388	140,013,612
Total assets	368,528,343	65,212,275	433,740,618
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Asset retirement obligation items	-	980,000	980,000
IMRF items	4,524,209	1,319,207	5,843,416
Police pension items	3,052,328	-	3,052,328
Firefighters' pension items	90,776	-	90,776
OPEB items	6,763,574	237,306	7,000,880
Unamortized loss on refunding	108,309	-	108,309
Total deferred outflows of resources	14,539,196	2,536,513	17,075,709
Total assets and deferred outflows of resources	383,067,539	67,748,788	450,816,327

(This statement is continued on the following page.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## STATEMENT OF NET POSITION (Continued)

December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 3,693,241	\$ 376,161	\$ 4,069,402
Accrued payroll	1,887,035	83,802	1,970,837
Unearned revenue	321,889	-	321,889
Payroll taxes payable	1,839,810	-	1,839,810
Claims payable	1,762,645	-	1,762,645
Accrued interest payable	209,812	-	209,812
Noncurrent liabilities			
Due within one year	6,596,864	89,556	6,686,420
Due in more than one year	144,308,479	4,582,976	148,891,455
 Total liabilities	 160,619,775	 5,132,495	 165,752,270
<b>DEFERRED INFLOWS OF RESOURCES</b>			
IMRF items	5,069,236	1,478,130	6,547,366
Police pension items	15,284,262	-	15,284,262
Firefighters' pension items	10,940,677	-	10,940,677
OPEB items	3,637,401	45,129	3,682,530
Unavailable revenue - property taxes	39,501,600	-	39,501,600
 Total deferred inflows of resources	 74,433,176	 1,523,259	 75,956,435
 Total liabilities and deferred inflows of resources	 235,052,951	 6,655,754	 241,708,705
<b>NET POSITION</b>			
Net investment in capital assets*	154,273,910	32,517,538	183,169,408
Restricted for			
Public safety	1,920,876	-	1,920,876
Highways and streets	4,926,106	-	4,926,106
Capital projects	5,845,899	-	5,845,899
Community development	10,078,204	-	10,078,204
Debt service	2,098,100	-	2,098,100
Stormwater control	9,339,336	-	9,339,336
Unrestricted (deficit)	(40,467,843)	28,575,496	(8,270,307)
 <b>TOTAL NET POSITION</b>	 \$ 148,014,588	 \$ 61,093,034	 \$ 209,107,622

\*General Obligation Bonds Series 2020 were issued as governmental activities debt to fund capital asset acquisitions for the business-type activities. Therefore, the total column includes the outstanding balance for these bonds (including unamortized premium and unspent proceeds), while the governmental activities column does not include these amounts in the calculation of the net investment in capital assets.

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 3,600,858	\$ 4,912,266	\$ 377,128	\$ -
Public safety	42,532,970	3,456,755	721,397	-
Highways and streets	22,991,086	941,971	4,399,326	-
Community development	5,156,663	1,918,652	356,951	-
Health and welfare	2,265,578	37,889	-	-
Interest	1,887,498	-	-	-
Total governmental activities	78,434,653	11,267,533	5,854,802	-
Business-Type Activities				
Water and sewer	19,409,330	20,769,646	-	-
Solid waste disposal	1,522,125	1,915,616	-	-
Arts, entertainment and events	453,799	73,690	-	-
Total business-type activities	21,385,254	22,758,952	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 99,819,907</b>	<b>\$ 34,026,485</b>	<b>\$ 5,854,802</b>	<b>\$ -</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ 1,688,536	\$ -	\$ 1,688,536
	(38,354,818)	-	(38,354,818)
	(17,649,789)	-	(17,649,789)
	(2,881,060)	-	(2,881,060)
	(2,227,689)	-	(2,227,689)
	(1,887,498)	-	(1,887,498)
	(61,312,318)	-	(61,312,318)
	-	1,360,316	1,360,316
	-	393,491	393,491
	-	(380,109)	(380,109)
	-	1,373,698	1,373,698
	(61,312,318)	1,373,698	(59,938,620)
General Revenues			
Taxes			
Property	39,097,436	-	39,097,436
Utility	4,892,355	-	4,892,355
Home rule sales	6,206,316	-	6,206,316
Hotel/motel	408,888	-	408,888
Food and beverage	1,577,787	519,327	2,097,114
Telecommunications	1,868,788	-	1,868,788
Foreign fire insurance	151,399	-	151,399
Other	20,109	-	20,109
Intergovernmental - unrestricted			
Sales	12,480,915	-	12,480,915
Use	3,290,912	-	3,290,912
Replacement	470,094	-	470,094
Shared income taxes	8,161,144	-	8,161,144
Investment income	410,745	25,914	436,659
Miscellaneous	4,116,654	794,733	4,911,387
Transfers	(8,545,232)	8,545,232	-
Total	74,608,310	9,885,206	84,493,516
CHANGE IN NET POSITION	13,295,992	11,258,904	24,554,896
NET POSITION, JANUARY 1	133,889,732	49,592,263	183,481,995
Change in accounting principle	828,864	241,867	1,070,731
NET POSITION, JANUARY 1 (RESTATED)	134,718,596	49,834,130	184,552,726
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 148,014,588</b>	<b>\$ 61,093,034</b>	<b>\$ 209,107,622</b>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**GOVERNMENTAL FUNDS**

**BALANCE SHEET**

December 31, 2020

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 27,649,781	\$ 2,085,316	\$ 16,459,097	\$ 35,878,310	\$ 82,072,504
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	26,634,600	6,498,600	4,400,000	1,968,400	39,501,600
Other taxes	6,842,527	-	410,855	249,307	7,502,689
CDBG rehabilitation loans	-	-	-	1,978,724	1,978,724
Zero interest loans	-	-	-	335,702	335,702
Grants	-	-	326,493	179,095	505,588
Other	1,456,886	12,838	-	172,866	1,642,590
Prepaid items	130,818	-	14,243	50,000	195,061
Due from other funds	200,002	-	-	-	200,002
Inventory	47,871	-	-	-	47,871
<b>TOTAL ASSETS</b>	<b>\$ 62,962,485</b>	<b>\$ 8,596,754</b>	<b>\$ 21,610,688</b>	<b>\$ 40,812,404</b>	<b>\$ 133,982,331</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 2,055,258	\$ 54	\$ 434,422	\$ 498,358	\$ 2,988,092
Accrued payroll	1,837,863	-	328	10,369	1,848,560
Deposits payable	1,839,810	-	-	-	1,839,810
Due to other funds	-	-	-	200,002	200,002
Unearned revenue	7,980	-	37,500	12,750	58,230
Total liabilities	5,740,911	54	472,250	721,479	6,934,694
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	2,314,426	2,314,426
Unavailable revenue - property taxes	26,634,600	6,498,600	4,400,000	1,968,400	39,501,600
Total deferred inflows of resources	26,634,600	6,498,600	4,400,000	4,282,826	41,816,026
Total liabilities and deferred inflows of resources	32,375,511	6,498,654	4,872,250	5,004,305	48,750,720
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid items	130,818	-	14,243	50,000	195,061
Inventory	47,871	-	-	-	47,871
Restricted					
Debt service	-	2,098,100	-	-	2,098,100
Capital projects	-	-	16,724,195	2,821,704	19,545,899
Public safety	-	-	-	1,920,876	1,920,876
Highways and streets	-	-	-	4,926,106	4,926,106
Community development	-	-	-	10,078,204	10,078,204
Stormwater control	-	-	-	9,339,336	9,339,336
Unrestricted					
Assigned					
Disabled citizens programs	5,049	-	-	-	5,049
Emergency assistance programs	239,487	-	-	-	239,487
Senior center maintenance	306,000	-	-	-	306,000
Canine unit donation	127,793	-	-	-	127,793
TIF refund	150,000	-	-	-	150,000
Subsequent year budget	691,700	-	-	-	691,700
Public parking	-	-	-	5,612,968	5,612,968
Public building	-	-	-	1,058,905	1,058,905
Unassigned	28,888,256	-	-	-	28,888,256
Total fund balances	30,586,974	2,098,100	16,738,438	35,808,099	85,231,611
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 62,962,485</b>	<b>\$ 8,596,754</b>	<b>\$ 21,610,688</b>	<b>\$ 40,812,404</b>	<b>\$ 133,982,331</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, 2020

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 85,231,611</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	207,438,384
Less internal service funds	(7,975,972)
Certain revenues are reported as unavailable in governmental funds but reported as revenue on the statement of activities	2,314,426
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(62,015,000)
Unamortized premium on bonds	(5,117,280)
Unamortized loss on refunding of bonds	108,309
Net pension liability - police pension	(19,076,868)
Net pension liability - firefighters' pension	(27,674,751)
Net pension liability - IMRF	(8,438,239)
Total OPEB liability	(26,233,719)
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	4,524,209
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	3,052,328
Deferred inflows of resources	(15,284,262)
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	90,776
Deferred inflows of resources	(10,940,677)
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	6,663,282
Deferred inflows of resources	(3,589,074)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in governmental funds	(2,124,570)
Less internal service funds	169,761
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(209,812)
The net position of the internal service funds are included in the governmental activities in the statement of net position	32,170,962
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 148,014,588</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, 2020

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Nonmajor</b>	<b>Total</b>
<b>REVENUES</b>					
Taxes	\$ 37,985,830	\$ 6,578,464	\$ 6,959,600	\$ 2,699,184	\$ 54,223,078
Licenses and permits	3,372,026	-	-	-	3,372,026
Intergovernmental	24,403,065	-	-	2,762,041	27,165,106
Grants	1,198,775	-	16,484	2,006,768	3,222,027
Charges for services	20,821	-	-	2,759,020	2,779,841
Fines and fees	5,184,733	-	-	37,463	5,222,196
Investment income	159,744	29,171	69,871	151,959	410,745
Miscellaneous	505,227	285,675	405,737	369,793	1,566,432
Total revenues	72,830,221	6,893,310	7,451,692	10,786,228	97,961,451
<b>EXPENDITURES</b>					
Current					
General government	4,914,604	-	-	170,084	5,084,688
Public safety	49,619,412	-	-	392,186	50,011,598
Highways and streets	12,246,299	-	-	1,076,154	13,322,453
Community development	4,414,576	-	-	527,273	4,941,849
Health and welfare	2,277,085	-	-	-	2,277,085
Capital outlay	-	-	5,086,229	3,888,741	8,974,970
Debt service					
Principal retirement	-	5,690,000	-	-	5,690,000
Interest and fiscal charges	-	1,977,545	-	-	1,977,545
Issuance costs	-	-	136,048	18,552	154,600
Total expenditures	73,471,976	7,667,545	5,222,277	6,072,990	92,434,788
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(641,755)	(774,235)	2,229,415	4,713,238	5,526,663
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued, at par	-	-	10,252,000	1,398,000	11,650,000
Premium on bonds issued	-	-	1,944,357	265,140	2,209,497
Transfers in	350,000	690,300	300,000	42,800	1,383,100
Transfers (out)	-	-	(9,088,032)	(840,300)	(9,928,332)
Total other financing sources (uses)	350,000	690,300	3,408,325	865,640	5,314,265
NET CHANGE IN FUND BALANCES	(291,755)	(83,935)	5,637,740	5,578,878	10,840,928
FUND BALANCES, JANUARY 1	30,878,729	2,182,035	11,100,698	30,229,221	74,390,683
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 30,586,974</b>	<b>\$ 2,098,100</b>	<b>\$ 16,738,438</b>	<b>\$ 35,808,099</b>	<b>\$ 85,231,611</b>

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, 2020

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 10,840,928</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	7,537,717
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	(4,485,282)
The loss on disposal of capital assets is reported as an expense in the statement of activities	(6,602,238)
Certain revenues are reported as unavailable in governmental funds but reported as revenue on the statement of activities	2,314,426
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	(11,650,000)
Premium on issuance of bonds	(2,209,497)
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	5,690,000
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	(54,155)
Amortization of premium on long-term debt	375,124
Change in compensated absences liability	(225,812)
Change in accrued interest payable	(76,322)
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	(7,715,121)
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	7,668,183
Deferred outflows and deferred inflows of resources	(3,024,906)
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	7,443,472
Deferred outflows and deferred inflows of resources	(2,923,186)
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	1,473,772
Deferred outflows and deferred inflows of resources	(1,887,289)
The change in net position of internal service funds is reported in governmental activities	<u>1,917,131</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 13,295,992</u></b>

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION**

December 31, 2020

	<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	\$ 6,975,151	\$ 4,290,135	\$ 11,265,286	\$ 26,779,289
Receivables				
Customer accounts	2,706,696	124,336	2,831,032	-
Other	-	-	-	263,659
Prepaid expenses	7,600	122,180	129,780	38,449
Inventory	547,590	-	547,590	226,233
 Total current assets	 10,237,037	 4,536,651	 14,773,688	 27,307,630
<b>NONCURRENT ASSETS</b>				
Capital assets				
Nondepreciable capital assets	2,648,950	475,200	3,124,150	-
Depreciable capital assets	110,822,911	2,615,292	113,438,203	22,410,902
Accumulated depreciation	(82,789,173)	(1,255,642)	(84,044,815)	(14,434,930)
 Net capital assets	 30,682,688	 1,834,850	 32,517,538	 7,975,972
Other assets				
Investment in joint venture	17,921,049	-	17,921,049	-
 Total other assets	 17,921,049	 -	 17,921,049	 -
 Total noncurrent assets	 48,603,737	 1,834,850	 50,438,587	 7,975,972
 Total assets	 58,840,774	 6,371,501	 65,212,275	 35,283,602
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Asset retirement obligation items	980,000	-	980,000	-
IMRF items	1,319,207	-	1,319,207	-
OPEB items	237,306	-	237,306	100,292
 Total deferred outflows of resources	 2,536,513	 -	 2,536,513	 100,292
 Total assets and deferred outflows of resources	 61,377,287	 6,371,501	 67,748,788	 35,383,894

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION (Continued)**

December 31, 2020

	<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	\$ 318,947	\$ 57,214	\$ 376,161	\$ 705,149
Unearned revenue	-	-	-	263,659
Accrued payroll	83,802	-	83,802	38,475
Due to other funds	-	-	-	-
Claims payable	-	-	-	1,762,645
Compensated absences payable	52,200	-	52,200	33,061
Total OPEB liability	37,356	-	37,356	9,325
Total current liabilities	492,305	57,214	549,519	2,812,314
<b>LONG-TERM LIABILITIES</b>				
Compensated absences payable	208,803	-	208,803	136,700
Asset retirement obligations	1,050,000	-	1,050,000	-
Net pension liability - IMRF	2,460,494	-	2,460,494	-
Total OPEB liability	863,679	-	863,679	215,591
Total long-term liabilities	4,582,976	-	4,582,976	352,291
Total liabilities	5,075,281	57,214	5,132,495	3,164,605
<b>DEFERRED INFLOWS OF RESOURCES</b>				
IMRF items	1,478,130	-	1,478,130	-
OPEB items	45,129	-	45,129	48,327
Total deferred inflows of resources	1,523,259	-	1,523,259	48,327
Total liabilities and deferred inflows of resources	6,598,540	57,214	6,655,754	3,212,932
<b>NET POSITION</b>				
Net investment in capital assets	30,682,688	1,834,850	32,517,538	7,975,972
Unrestricted	24,096,059	4,479,437	28,575,496	24,194,990
<b>TOTAL NET POSITION</b>	\$ 54,778,747	\$ 6,314,287	\$ 61,093,034	\$ 32,170,962

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, 2020

	<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	\$ 19,958,979	\$ 1,989,306	\$ 21,948,285	\$ 18,853,208
Contributions	-	-	-	2,299,246
Fines	-	-	-	22,244
Miscellaneous	50,128	-	50,128	205,795
Total operating revenues	20,009,107	1,989,306	21,998,413	21,380,493
<b>OPERATING EXPENSES</b>				
Operations	17,915,498	1,904,218	19,819,716	18,301,458
Depreciation and amortization	1,493,832	71,706	1,565,538	1,510,964
Total operating expenses	19,409,330	1,975,924	21,385,254	19,812,422
OPERATING INCOME (LOSS)	599,777	13,382	613,159	1,568,071
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	4,486	21,428	25,914	124,050
Increase in joint venture	810,667	-	810,667	-
Loss on disposal of capital assets	-	-	-	(54,580)
Other income	744,605	-	744,605	279,590
Food and beverage tax	-	519,327	519,327	-
Total non-operating revenues (expenses)	1,559,758	540,755	2,100,513	349,060
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	2,159,535	554,137	2,713,672	1,917,131
<b>TRANSFERS</b>				
Transfers in	9,045,232	-	9,045,232	-
Transfers (out)	-	(500,000)	(500,000)	-
Total transfers	9,045,232	(500,000)	8,545,232	-
<b>CONTRIBUTIONS</b>	-	-	-	-
CHANGE IN NET POSITION	11,204,767	54,137	11,258,904	1,917,131
NET POSITION, JANUARY 1	43,332,113	6,260,150	49,592,263	30,253,831
Change in accounting principle	241,867	-	241,867	-
NET POSITION, JANUARY 1, AS RESTATED	43,573,980	6,260,150	49,834,130	30,253,831
<b>NET POSITION, DECEMBER 31</b>	\$ 54,778,747	\$ 6,314,287	\$ 61,093,034	\$ 32,170,962

See accompanying notes to financial statement.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2020

	<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	\$ 21,009,894	\$ 1,981,132	\$ 22,991,026	\$ 2,423,167
Payments for internal services	(1,768,456)	-	(1,768,456)	19,374,963
Payments to suppliers	(10,749,630)	(1,885,916)	(12,635,546)	(16,136,137)
Payments to employees	(6,716,210)	-	(6,716,210)	(2,698,348)
Net cash from operating activities	1,775,598	95,216	1,870,814	2,963,645
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers (in)	9,045,232	-	9,045,232	-
Transfers (out)	-	(500,000)	(500,000)	-
Interfund activity	(500,000)	-	(500,000)	-
Food and beverage tax receipts	-	519,327	519,327	-
Net cash from noncapital financing activities	8,545,232	19,327	8,564,559	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital assets purchased	(4,275,144)	-	(4,275,144)	(1,077,885)
Net cash from capital and related financing activities	(4,275,144)	-	(4,275,144)	(1,077,885)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	8,785	42,137	50,922	249,125
Net cash from investing activities	8,785	42,137	50,922	249,125
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,054,471	156,680	6,211,151	2,134,885
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	920,680	4,133,455	5,054,135	24,644,404
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 6,975,151	\$ 4,290,135	\$ 11,265,286	\$ 26,779,289

(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, 2020

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 599,777	\$ 13,382	\$ 613,159	\$ 1,568,071
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization	1,493,832	71,706	1,565,538	1,510,964
Other income	744,605	-	744,605	279,590
Change in assets and liabilities				
Receivables	256,182	(8,174)	248,008	(136,047)
Prepaid expenses	25,200	112,019	137,219	300,209
Inventories	(170,099)	-	(170,099)	(70,538)
Accounts payable	(763,992)	-	(763,992)	(573,229)
Accrued payroll	(56,571)	(93,717)	(150,288)	(16,765)
Unearned revenue	-	-	-	138,047
Compensated absences payable	42,189	-	42,189	37,626
IMRF items	(342,123)	-	(342,123)	-
OPEB items	(53,402)	-	(53,402)	(19,471)
Claims payable	-	-	-	(54,812)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 1,775,598</u>	<u>\$ 95,216</u>	<u>\$ 1,870,814</u>	<u>\$ 2,963,645</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, 2020

---

	<b>Pension Trust</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 16,230,619
Investments	
U.S. Government and agency obligations	41,057,661
Equity securities	105,525,846
REIT	15,333,187
Mutual funds	75,265,430
Corporate bonds	42,757,728
Municipal bonds	2,756,055
Receivables	
Accrued interest	466,381
Other	39,245
	<hr/>
Total assets	299,432,152
	<hr/>
<b>LIABILITIES</b>	
Accounts payable	41,162
Other payables	32,500
	<hr/>
Total liabilities	73,662
	<hr/>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b>\$ 299,358,490</b>
	<hr/> <hr/>

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, 2020

---

**ADDITIONS**

Contributions	
Employer	\$ 9,339,000
Participants	2,351,685
Other	<u>6,956</u>
Total contributions	<u>11,697,641</u>
Investment income	
Net appreciation in fair value of investments	27,666,045
Interest income	<u>4,893,620</u>
Subtotal	32,559,665
Less investment expense	<u>(509,427)</u>
Net investment income	<u>32,050,238</u>
Total additions	<u>43,747,879</u>

**DEDUCTIONS**

Administrative	81,625
Pension benefits and refunds	<u>16,537,768</u>
Total deductions	<u>16,619,393</u>

NET INCREASE 27,128,486

**NET POSITION RESTRICTED FOR  
PENSION BENEFITS**

January 1	<u>272,230,004</u>
December 31	<u><u>\$ 299,358,490</u></u>

See accompanying notes to financial statement.

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

December 31, 2020

---

### 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)**

---

**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)**

---

**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)**

---

**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)**

---

**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 2020 attached as an enforceable lien on January 1, 2020, 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, 2021 and August 1, 2021 and are payable in two installments, on or about March 1, 2021 and September 1, 2021. 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 2020 levy is intended to fund the 2021 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)**

---

**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.

**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

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

---

**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.

o. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 87, Leases to December 31, 2022.

## **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.

### **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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 2,140,000	\$ 248,000	\$ 1,892,000	\$ -	\$ -
Commercial paper	1,503,596	1,503,596	-	-	-
U.S. Treasury bonds	711,021	490,987	220,034	-	-
Illinois TERM	7,825,000	7,825,000	-	-	-
<b>TOTAL</b>	<b>\$ 12,179,617</b>	<b>\$ 10,067,583</b>	<b>\$ 2,112,034</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, 2020: U.S. Treasury obligations are measured using quoted process in active markets for identical assets (Level 1 inputs). The negotiable certificates of deposit and Illinois TERM are measured at fair value using quoted matrix pricing models (Level 2 inputs). 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 Illinois TERM, 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)**

---

**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, 2020:

**GOVERNMENTAL ACTIVITIES**

Municipal sales tax	\$ 4,055,099
Home rule sales tax	1,643,418
Other taxes	1,554,865
Motor fuel tax	<u>249,307</u>

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 7,502,689</u></b>
--------------------------------------	----------------------------

The following receivables are included in other receivables on the statement of net position:

**GOVERNMENTAL ACTIVITIES**

Franchise fees	\$ 342,728
Utility taxes	465,179
Grants	67,800
Zero interest loans	335,702
Stormwater	164,346
IRMA	263,659
Miscellaneous	<u>602,537</u>

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,241,951</u></b>
--------------------------------------	----------------------------

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

**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 11,984,920	\$ -	\$ -	\$ 11,984,920
Land right of way	81,550,888	2,993,600	-	84,544,488
Construction in progress	6,602,238	288,752	6,602,238	288,752
Total capital assets not being depreciated	100,138,046	3,282,352	6,602,238	96,818,160
Capital assets being depreciated				
Buildings and improvements	125,967,369	-	-	125,967,369
Machinery, equipment, and vehicles	25,849,127	1,639,706	650,902	26,837,931
Infrastructure	70,795,103	3,693,544	-	74,488,647
Total capital assets being depreciated	222,611,599	5,333,250	650,902	227,293,947
Less accumulated depreciation for				
Buildings and improvements	48,816,314	3,085,305	-	51,901,619
Machinery, equipment, and vehicles	16,397,259	1,965,329	596,322	17,766,266
Infrastructure	46,060,226	945,612	-	47,005,838
Total accumulated depreciation	111,273,799	5,996,246	596,322	116,673,723
Total capital assets being depreciated, net	111,337,800	(662,996)	54,580	110,620,224
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 211,475,846</b>	<b>\$ 2,619,356</b>	<b>\$ 6,656,818</b>	<b>\$ 207,438,384</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 596,145
Public safety	1,237,247
Highways and streets	2,134,396
Community development	396,929
Health and welfare	120,567
Internal service	1,510,962
<b>TOTAL DEPRECIATION EXPENSE -</b>	
<b>GOVERNMENTAL ACTIVITIES</b>	<b>\$ 5,996,246</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	3,248,841	-	124,691	3,124,150
Capital assets being depreciated				
Buildings and improvements	19,240,175	-	-	19,240,175
Machinery and equipment	6,643,229	644,726	-	7,287,955
Underground systems	83,154,964	3,755,109	-	86,910,073
Total capital assets being depreciated	109,038,368	4,399,835	-	113,438,203
Less accumulated depreciation for				
Buildings and improvements	10,949,189	381,656	-	11,330,845
Machinery and equipment	4,829,954	265,094	-	5,095,048
Underground systems	66,735,134	883,788	-	67,618,922
Total accumulated depreciation	82,514,277	1,530,538	-	84,044,815
Total capital assets being depreciated, net	26,524,091	2,869,297	-	29,393,388
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 29,772,932</u>	<u>\$ 2,869,297</u>	<u>\$ 124,691</u>	<u>\$ 32,517,538</u>

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

<b>BUSINESS-TYPE ACTIVITIES</b>	
Water and sewer	\$ 1,458,832
Arts, entertainment, and events	<u>71,706</u>
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<u><b>\$ 1,530,538</b></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, \$100,000 for errors and omissions, and \$100,000 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)**

---

**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, 2020, was \$1,762,645.

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, 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
Claims incurred - 2020	7,587,808	75,020	1,206,447	8,869,275
Claims payments - 2020	(7,618,344)	(95,774)	(1,209,969)	(8,924,087)
UNPAID CLAIMS,				
DECEMBER 31, 2020	\$ 1,500,311	\$ 35,846	\$ 226,488	\$ 1,762,645

**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%	\$ 1,996,704	\$ 25,659	\$ 43,639	\$ -	\$ 1,978,724

**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.

b. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
<b>GOVERNMENTAL ACTIVITIES</b>						
\$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	\$ 810,000	\$ -	\$ 260,000	\$ 550,000	\$ 270,000

**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)						
\$9,670,000 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	\$ 5,520,000	\$ -	\$ 2,000,000	\$ 3,520,000	\$ 2,145,000
\$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	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	31,590,000	-	2,240,000	29,350,000	1,585,000
\$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	9,290,000	-	330,000	8,960,000	345,000
\$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	-
\$11,650,000 General Obligation Bonds, Series 2020, due in annual installments ranging from \$500,000 to \$1,960,000 with interest at 4%. The last payment is due December 1, 2030.	Debt Service	-	11,650,000	-	11,650,000	730,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 56,055,000</b>	<b>\$ 11,650,000</b>	<b>\$ 5,690,000</b>	<b>\$ 62,015,000</b>	<b>\$ 5,075,000</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 2020:

	Debt Retired by	Balances January 1, Restated	Additions	Reductions	Balances December 31	Current Portion at December 31
<b>GOVERNMENTAL ACTIVITIES</b>						
General obligation bonds	Debt Service	\$ 56,055,000	\$ 11,650,000	\$ 5,690,000	\$ 62,015,000	\$ 5,075,000
Unamortized bond premium		3,282,907	2,209,497	375,124	5,117,280	-
Compensated absences	General/Internal Service	1,861,132	635,664	372,226	2,124,570	424,914
Total OPEB liability	General/Internal Service	27,963,324	-	1,504,689	26,458,635	1,096,950
Net pension liability - IMRF	General	17,327,286	-	8,889,047	8,438,239	-
Net pension liability - Police Pension	General	26,745,051		7,668,183	19,076,868	-
Net pension liability - Firefighters' Pension	General	35,118,223	-	7,443,472	27,674,751	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 168,352,923</b>	<b>\$ 14,495,161</b>	<b>\$ 31,942,741</b>	<b>\$ 150,905,343</b>	<b>\$ 6,596,864</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Compensated absences	Water and Sewer	\$ 218,814	\$ 85,952	\$ 43,763	\$ 261,003	\$ 52,200
Net pension liability - IMRF	Water and Sewer	5,052,438	-	2,591,944	2,460,494	-
Total OPEB liability	Water and Sewer	937,255	-	36,220	901,035	37,356
Asset retirement obligation	Water and Sewer	1,050,000	-	-	1,050,000	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 7,258,507</b>	<b>\$ 85,952</b>	<b>\$ 2,671,927</b>	<b>\$ 4,672,532</b>	<b>\$ 89,556</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
2021	\$ 5,075,000	\$ 2,402,531
2022	5,335,000	2,145,100
2023	5,220,000	1,970,850
2024	5,435,000	1,751,750
2025	4,335,000	1,523,850
2026	4,020,000	1,345,650
2027	3,980,000	1,184,750
2028	4,120,000	1,044,925
2029	4,255,000	900,075
2030	2,870,000	750,400
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>\$ 62,015,000</b>	<b>\$ 17,635,394</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.

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

---

**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 \$980,000 in deferred outflows as of December 31, 2020.

**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, 2020.

The Village has entered into various economic incentive agreements with companies to rebate sales taxes. As of December 31, 2020, 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, 2020, was \$507,370. A total of \$2,827,053 has been rebated to date under active agreements.

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

---

**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>
2021	\$ 3,768,208
2022	3,862,413
2023	3,958,974
2024	4,057,948
2025	4,159,396
2026	4,263,381

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>
2021	\$ 1,399,602
2022	1,410,213
2023	1,434,992
2024	1,463,241
2025	1,536,276

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 \$1,522,125 to SWANCC for the year ended December 31, 2020. The payments have been recorded in the Solid Waste Fund. The Village does not have an equity interest in SWANCC at December 31, 2020.

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)**

---

**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 \$3,749,826 to NWWC for the year ended December 31, 2020. The Village has an equity interest in NWWC in the amount of \$17,921,049 as of December 31, 2020.

**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 (CDBG)	\$ 200,002
TOTAL		<u>\$ 200,002</u>

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

- \$200,002 due from Nonmajor Governmental Funds (CDBG) to the General Fund is for a short-term loan. Repayment is expected within one year.

b. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2020 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor governmental	\$ 150,000	\$ -
Nonmajor enterprise	200,000	-
Total General	<u>350,000</u>	<u>-</u>

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

---

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

b. Interfund Transfers (Continued)

	Transfers In	Transfers Out
Debt Service		
Nonmajor governmental	\$ 690,300	\$ -
Total Debt Service	690,300	-
Capital Projects		
Water and sewer	-	9,045,232
Nonmajor governmental	-	42,800
Nonmajor enterprise	300,000	-
Total Capital Projects	300,000	9,088,032
Water and Sewer		
Capital projects	9,045,232	-
Total Waterworks and Sewerage	9,045,232	-
Nonmajor Governmental		
General	-	150,000
Debt service	-	690,300
Capital projects	42,800	-
Total Nonmajor Governmental	42,800	840,300
Nonmajor Enterprise		
General	-	200,000
Capital projects	-	300,000
Total Nonmajor Enterprise	-	500,000
TOTAL	\$ 10,428,332	\$ 10,428,332

The purpose of significant transfers is as follows:

- \$690,300 transferred to the Debt Service Fund from the Nonmajor Governmental Fund (Storm Water Control) for bond payments. This transfer will not be repaid.
- \$9,045,232 transferred to the Water and Sewer Fund from the Capital Projects Fund to transfer bond proceeds for future capital projects. This transfer will not be repaid.

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

---

**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.

c. Membership

At December 31, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	76
Terminated employees entitled to benefits but not yet receiving them	-
Duty disabled participants	15
Active employees	<u>407</u>
<b>TOTAL</b>	<u><u>498</u></u>
 Participating employers	 <u><u>1</u></u>

d. Total OPEB Liability

The Village's total OPEB liability of \$27,359,670 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

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

---

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

e. Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions and other inputs.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Salary Increases	3.00%
Discount rate	2.00%
Healthcare cost trend rates	7.00% 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.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2020	<u>\$ 28,900,579</u>
Changes for the period	
Service cost	741,577
Interest	779,169
Benefit changes	(866,236)
Differences between expected and actual experience	(3,274,902)
Assumption changes*	2,213,789
Benefit payments	<u>(1,134,306)</u>
Net changes	<u>(1,540,909)</u>
BALANCES AT DECEMBER 31, 2020	<u>\$ 27,359,670</u>

\*There were changes in assumptions related to the discount rate in 2020.

There was a change in benefits related to the elimination of the Affordable Care Act Excise Tax.

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

---

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

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% 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%) or 1 percentage point higher (3%) than the current rate:

	1% Decrease (1%)	Current Discount Rate (2%)	1% Increase (3%)
Total OPEB liability	\$ 30,840,025	\$ 27,359,670	\$ 24,470,137

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7% 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 (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Healthcare Rate (7%)	1% Increase (8%)
Total OPEB liability	\$ 24,022,663	\$ 27,359,670	\$ 31,445,821

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$1,474,948. At December 31, 2020, 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	\$ 2,195,298	\$ 3,008,708
Changes in assumptions	4,805,582	673,822
<b>TOTAL</b>	<b>\$ 7,000,880</b>	<b>\$ 3,682,530</b>

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

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

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

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>	
2021	\$ 820,439
2022	820,439
2023	820,439
2024	820,439
2025	465,418
Thereafter	<u>(428,824)</u>
<b>TOTAL</b>	<b><u>\$ 3,318,350</u></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 (cost-sharing plan); 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.

The table below is a summary for all pension plans as of and for the year ended December 31, 2020:

	<u>IMRF</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Total</u>
Net pension liability	\$ 10,898,733	\$ 19,076,868	\$ 27,674,751	\$ 57,650,352
Deferred outflows of resources	5,843,416	3,052,328	90,776	8,986,520
Deferred inflows of resources	6,547,366	15,284,262	10,940,677	32,772,305
Pension expense	3,078,196	(434,278)	609,714	3,253,632



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

---

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

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	<u>386</u>
 TOTAL	 <u><u>1,080</u></u>

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

*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.

**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)

*Benefits Provided (Continued)*

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating 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, 2020, was 12.64% of covered payroll. The actual employer contribution rate for the year ended December 31, 2020 was 12.63% of covered payroll.

*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	Fair value

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

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.

*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.

**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)

*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

The table presented above 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.

**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)

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

For the year ended December 31, 2020, the Village recognized pension expense of \$3,078,196.

At December 31, 2020, 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
Employer contributions subsequent to the measurement date	2,586,780	-
	<hr/>	<hr/>
TOTAL	\$ 5,843,416	\$ 6,547,366
	<hr/>	<hr/>

\$2,586,780 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2021. Other 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>	
2021	\$ (674,713)
2022	(655,512)
2023	780,916
2024	(2,741,421)
	<hr/>
TOTAL	\$ (3,290,730)
	<hr/>

**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 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	3,860,124	(1,245,843)
Net pension liability (asset) (Total)	<u>\$ 38,314,031</u>	<u>\$ 14,758,857</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.

*Plan Membership*

At December 31, 2020, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	119
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>102</u>
TOTAL	<u>229</u>

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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  $\frac{1}{2}$  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.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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, 2020, the Village's contribution was 37.66% 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, 2020.



**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 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%	0.70% to 3.20%
Domestic equities	5% to 52%	3.60% to 4.50%
International equities	5%	5.20-7.20%
Real estate	3%	4.00%
Cash and cash equivalents	0%	0.50%

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% 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, 2020, 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.37%. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 20,972,734	\$ 3,270,275	\$ 13,603,673	\$ 4,098,786	\$ -
U.S. agency obligations	1,803,793	-	781,538	584,116	438,139
Corporate bonds	21,715,308	419,644	12,299,229	6,682,242	2,314,193
Municipal bonds	2,040,322	156,544	696,986	776,723	410,069
<b>TOTAL</b>	<b>\$ 46,532,157</b>	<b>\$ 3,846,463</b>	<b>\$ 27,381,426</b>	<b>\$ 12,141,867</b>	<b>\$ 3,162,401</b>

The Fund has the following recurring fair value measurements as of December 31, 2020: the U.S. agency obligations, corporate bonds, and municipal 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 cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

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

a. Plan Descriptions (Continued)

Police 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 Illinois Funds are rated AAA. The U.S. agency obligations range in rating from Aaa to not rated by Standard and Poor's. The municipal bonds and 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 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, 2020 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)**

---

**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, 2020	\$ 175,091,359	\$ 148,346,307	\$ 26,745,052
Changes for the period			
Service cost	3,224,894	-	3,224,894
Interest	11,492,531	-	11,492,531
Difference between expected and actual experience	1,302,495	-	1,302,495
Changes in assumptions	98,722	-	98,722
Changes in benefit terms	-	-	-
Employer contributions	-	4,209,000	(4,209,000)
Employee contributions	-	1,210,559	(1,210,559)
Other contributions	-	748	(748)
Net investment income	-	18,366,519	(18,366,519)
Benefit payments and refunds	(8,919,945)	(8,919,945)	-
Administrative expense	(53,509)	(53,509)	-
Net changes	7,145,188	14,813,372	(7,668,184)
BALANCES AT DECEMBER 31, 2020	\$ 182,236,547	\$ 163,159,679	\$ 19,076,868

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

As of December 31, 2020, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 89.53%.

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

---

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

a. Plan Descriptions (Continued)

Police 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, 2020
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	Fair value

Mortality assumptions were based upon the RP2014 base rates with blue collar adjustment projected to 2020 with scale MP2020.

*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 6.75% 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 (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 (asset)	\$ 43,300,116	\$ 19,076,868	\$ (863,806)

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

---

**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*

For the year ended December 31, 2020, the Village recognized pension expense of \$(434,278). At December 31, 2020, 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	\$ 2,027,791	\$ 1,626,815
Changes in assumptions	1,024,537	220,085
Net difference between projected and actual earnings on pension plan investments	-	13,437,362
<b>TOTAL</b>	<b>\$ 3,052,328</b>	<b>\$ 15,284,262</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 police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2021	\$ (4,038,329)
2022	(2,064,539)
2023	(4,711,052)
2024	(1,418,014)
2025	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (12,231,934)</b>

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

---

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

a. Plan Descriptions (Continued)

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, 2020, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	107
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>106</u>
 TOTAL	 <u><u>216</u></u>

*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.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided (Continued)*

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the 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  $\frac{1}{2}$  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.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 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  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with 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, 2020, the Village's contribution was 43.29% of covered payroll.



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

---

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*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 not modified during the year ended December 31, 2020.

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%	1.70%
US equities	22.00% to 38.00%	30.00%	5.20%
International equities	14.50% to 30.50%	22.50%	6.30%
Real estate	7.50% to 15.00%	12.50%	4.60%
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.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

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, 2020, are listed in the table on the previous page.

*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.

*Rate of Return*

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.30%. 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.

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

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 9,421,240	\$ 384,720	\$ 5,247,611	\$ 3,788,909	\$ -
U.S. agency obligations	8,859,894	-	4,508,306	1,218,863	3,132,725
Corporate bonds	21,042,420	1,624,112	15,020,586	4,397,722	-
Municipal bonds	715,733	-	715,733	-	-
<b>TOTAL</b>	<b>\$ 40,039,287</b>	<b>\$ 2,008,832</b>	<b>\$ 25,492,236</b>	<b>\$ 9,405,494</b>	<b>\$ 3,132,725</b>

The Fund has the following recurring fair value measurements as of December 31, 2020: the real estate investment trusts are valued using non-observable inputs. The U.S. agency obligations, corporate bonds, and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The U.S. Treasury obligations and equities are valued using 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.

*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 Aaa by Standard and Poor's. The municipal bonds range in rating from A- to 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.

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

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*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, 2020, 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)**

**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, 2020	\$ 159,001,920	\$ 123,883,697	\$ 35,118,223
Changes for the period			
Service cost	3,703,881	-	3,703,881
Interest	10,454,457	-	10,454,457
Difference between expected and actual experience	(1,740,361)	-	(1,740,361)
Changes in assumptions	99,604	-	99,604
Changes in benefit terms	-	-	-
Employer contributions	-	5,130,000	(5,130,000)
Employee contributions	-	1,141,126	(1,141,126)
Other contributions	-	6,208	(6,208)
Net investment income	-	13,683,719	(13,683,719)
Benefit payments and refunds	(7,617,823)	(7,617,823)	-
Administrative expense	(28,116)	(28,116)	-
Net changes	4,871,642	12,315,114	(7,443,472)
BALANCES AT DECEMBER 31, 2020	\$ 163,873,562	\$ 136,198,811	\$ 27,674,751

There were changes in mortality rates from the prior year.

As of December 31, 2020, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 83.11%.

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

---

**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, 2020
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	Fair value

Mortality assumptions were based upon the RP2014 base rates with blue collar adjustment projected to 2020 with scale MP2020.

*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	\$ 48,875,679	\$ 27,674,751	\$ 10,079,157

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

---

**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, 2020, the Village recognized pension expense of \$609,714. At December 31, 2020, 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	\$ -	\$ 3,176,547
Changes in assumption	90,776	731,896
Net difference between projected and actual earnings on pension plan investments	-	7,032,234
<b>TOTAL</b>	<b>\$ 90,776</b>	<b>\$ 10,940,677</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:

Year Ending  
December 31,

2021	\$ (3,775,716)
2022	(1,904,381)
2023	(3,795,506)
2024	(1,374,298)
2025	-
Thereafter	-
<b>TOTAL</b>	<b>\$ (10,849,901)</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	\$ 9,466,590	\$ 6,764,029	\$ 16,230,619
Investments			
U.S. Government and			
U.S. agency obligations	22,776,527	18,281,134	41,057,661
Equity securities	31,696,571	73,829,275	105,525,846
REIT	-	15,333,187	15,333,187
Mutual funds	75,265,430	-	75,265,430
Corporate bonds	21,715,308	21,042,420	42,757,728
Municipal bonds	2,040,322	715,733	2,756,055
Receivables			
Accrued interest	233,348	233,033	466,381
Other	39,245	-	39,245
Total assets	163,233,341	136,198,811	299,432,152
<b>LIABILITIES</b>			
Accounts payable	41,162	-	41,162
Deferred revenue	32,500	-	32,500
Total liabilities	73,662	-	73,662
<b>NET POSITION</b>			
	\$ 163,159,679	\$ 136,198,811	\$ 299,358,490



**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	\$ 4,209,000	\$ 5,130,000	\$ 9,339,000
Employee	1,210,559	1,141,126	2,351,685
Other	748	6,208	6,956
Total contributions	5,420,307	6,277,334	11,697,641
Invest income			
Net appreciation in fair value of investments	15,920,824	11,745,221	27,666,045
Interest income	2,738,213	2,155,407	4,893,620
Less investment expense	(292,518)	(216,909)	(509,427)
Net investment income	18,366,519	13,683,719	32,050,238
Total additions	23,786,826	19,961,053	43,747,879
<b>DEDUCTIONS</b>			
Administrative	53,509	28,116	81,625
Pension benefits and refunds	8,919,945	7,617,823	16,537,768
Total deductions	8,973,454	7,645,939	16,619,393
NET INCREASE	14,813,372	12,315,114	27,128,486
<b>NET POSITION RESTRICTED FOR PENSIONS</b>			
January 1	148,346,307	123,883,697	272,230,004
December 31	\$ 163,159,679	\$ 136,198,811	\$ 299,358,490

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

---

**15. CHANGE IN ACCOUNTING PRINCIPLE**

In 2015, the Village adopted Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*.

The new standards require the Village to recognize a liability, deferred inflow and deferred outflow in its government-wide financial statements for the net pension liability associated with its pension plan(s).

In 2020, the Village made a determination to report information from the December 31, 2019, actuarial evaluation from IMRF in order to continue its dedication to timely financial reporting. Therefore, the related accounts were restated for the prior year to reflect the net pension liabilities and deferred outflows from December 31, 2018.

The beginning net position reported in the government-wide financial statements has been restated as follows:

	<u>Increase (Decrease)</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
Change in accounting principle	
To record the IMRF net pension liability	<u>\$ 828,864</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 828,864</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>	
Change in accounting principle	
To record the IMRF net pension liability	<u>\$ 241,867</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u><u>\$ 241,867</u></u>

## **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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 24,973,600	\$ 24,973,600	\$ 24,563,166	\$ 23,999,484
Other taxes	16,207,000	16,207,000	13,422,664	16,228,575
Licenses and permits	4,262,500	4,262,500	3,372,026	4,834,759
Intergovernmental	23,717,800	23,717,800	24,403,065	23,919,629
Grants	228,000	293,000	1,198,775	313,644
Charges for services	10,000	10,000	20,821	34,376
Fines and fees	5,797,900	5,797,900	5,184,733	5,886,632
Investment income	411,000	411,000	159,744	710,851
Miscellaneous	493,000	518,000	505,227	633,381
<b>Total revenues</b>	<b>76,100,800</b>	<b>76,190,800</b>	<b>72,830,221</b>	<b>76,561,331</b>
<b>EXPENDITURES</b>				
Current				
General government	5,049,900	4,934,900	4,914,604	4,946,789
Public safety	51,057,400	51,278,793	49,619,412	51,411,155
Highways and streets	13,206,600	13,311,619	12,246,299	12,754,757
Community development	4,612,100	4,720,106	4,414,576	4,247,624
Health and welfare	2,374,800	2,407,360	2,277,085	2,228,965
<b>Total expenditures</b>	<b>76,300,800</b>	<b>76,652,778</b>	<b>73,471,976</b>	<b>75,589,290</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(200,000)</b>	<b>(461,978)</b>	<b>(641,755)</b>	<b>972,041</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,000	200,000	350,000	200,000
Transfers (out)	-	-	-	(998,552)
<b>Total other financing sources (uses)</b>	<b>200,000</b>	<b>200,000</b>	<b>350,000</b>	<b>(798,552)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ (261,978)</b>	<b>(291,755)</b>	<b>173,489</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>30,878,729</b>	<b>30,705,240</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 30,586,974</b>	<b>\$ 30,878,729</b>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

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

Last Six Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 3,159,698	\$ 3,257,572	\$ 3,170,250	\$ 2,473,709	\$ 2,023,617	\$ 2,619,117
Contributions in relation to the actuarially determined contribution	3,168,474	3,257,572	3,170,250	2,477,778	2,023,617	2,619,117
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (8,776)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,069)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 24,380,386	\$ 24,924,034	\$ 25,690,842	\$ 19,447,399	\$ 20,055,727	\$ 20,735,143
Contributions as a percentage of covered payroll	13.00%	13.07%	12.34%	12.74%	10.09%	12.63%

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>4/30/2012</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>	<b>12/31/2020</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	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	4,209,000
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (359,025)</b>	<b>\$ 185</b>	<b>\$ (194,575)</b>	<b>\$ (306,717)</b>	<b>\$ (68,000)</b>	<b>\$ (1,720,275)</b>	<b>\$ (154,039)</b>	<b>\$ (906)</b>	<b>\$ (176)</b>	<b>\$ (100,517)</b>
Additional contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,250,000	\$ -
Covered payroll	\$ 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	\$ 11,175,270
Contributions as a percentage of covered payroll	42.32%	42.59%	43.57%	45.57%	43.34%	41.97%	36.58%	34.78%	35.50%	37.66%
Notes to the required supplementary information										
Actuarial cost method	Entry-age normal									
Amortization method	Level % of pay (closed)									
Remaining amortization period	20 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>4/30/2012</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>	<b>12/31/2020</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	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	5,130,000
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<b>\$ (294,906)</b>	<b>\$ 7,760</b>	<b>\$ (112,021)</b>	<b>\$ (236,068)</b>	<b>\$ (2,022)</b>	<b>\$ (1,864,016)</b>	<b>\$ (154,276)</b>	<b>\$ (353)</b>	<b>\$ (993)</b>	<b>\$ (99,890)</b>
Additional contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,250,000	\$ -
Covered payroll	\$ 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	\$ 11,851,132
Contributions as a percentage of covered payroll	47.78%	46.72%	46.90%	49.96%	47.63%	48.01%	44.96%	41.74%	43.90%	43.29%
Notes to the required supplementary information										
Actuarial cost method	Entry-age normal									
Amortization method	Level % of pay (closed)									
Remaining amortization period	20 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 (10% at age 50 to 100% at age 65)									
Mortality	RP2014 base rates with blue collar adjustment projected to the valuation date with Scale MP2020									

(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 Seven 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>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 3,248,450	\$ 1,989,231	\$ 2,940,458	\$ 2,941,583
Interest	9,147,568	6,520,521	9,907,311	10,273,549
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	325,542	(1,044,681)	(1,217,235)	495,807
Changes of assumptions	3,089,627	-	236,267	(712,451)
Benefit payments, including refunds and member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)
Administrative expense	-	-	-	-
Net change in total pension liability	10,389,616	3,629,697	5,813,055	6,391,367
Total pension liability - beginning	136,588,346	146,977,962	150,607,659	156,420,714
<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>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 4,529,400	\$ 4,500,000	\$ 4,500,000	\$ 3,994,000
Contributions - member	986,380	691,981	1,036,023	1,151,412
Contributions - other	276,199	4,776	355,856	1,127
Net investment income	7,837,174	(1,016,522)	6,685,207	17,098,096
Benefit payments, including refunds of member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)
Administrative expense	(32,090)	(27,218)	(37,365)	(43,276)
Net change in plan fiduciary net position	8,175,492	317,643	6,485,975	15,594,238
Plan fiduciary net position - beginning	99,863,906	108,039,398	108,357,041	114,843,016
<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>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>
Plan fiduciary net position as a percentage of the total pension liability	73.51%	71.95%	73.42%	80.12%
Covered payroll	\$ 9,938,967	\$ 10,381,979	\$ 10,722,080	\$ 10,917,682
Employer's net pension liability as a percentage of covered payroll	391.80%	407.00%	387.80%	296.50%

Notes to Required Supplementary Information

**Year Ended December 31, 2020** - There were change in mortality rates from the prior year.

**Year Ended December 31, 2019** - There were change in mortality rates. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

**Year Ended December 31, 2018** - There were change in mortality rates 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.



<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
\$ 2,931,782	\$ 3,057,662	\$ 3,224,894
10,728,873	11,029,601	11,492,531
-	(15,185)	-
(3,899,982)	1,459,100	1,302,495
2,333,982	(107,864)	98,722
(7,136,881)	(8,064,669)	(8,919,945)
-	(37,141)	(53,509)
4,957,774	7,321,504	7,145,188
162,812,081	167,769,855	175,091,359
<u>\$ 167,769,855</u>	<u>\$ 175,091,359</u>	<u>\$ 182,236,547</u>
\$ 5,379,000	\$ 5,267,000	\$ 4,209,000
1,144,554	1,304,981	1,210,559
11,828	5,650	748
(6,034,752)	26,104,148	18,366,519
(7,136,881)	(8,064,669)	(8,919,945)
(34,640)	(37,166)	(53,509)
(6,670,891)	24,579,944	14,813,372
130,437,254	123,766,363	148,346,307
<u>\$ 123,766,363</u>	<u>\$ 148,346,307</u>	<u>\$ 163,159,679</u>
<u>\$ 44,003,492</u>	<u>\$ 26,745,052</u>	<u>\$ 19,076,868</u>
73.77%	84.73%	89.53%
\$ 11,153,797	\$ 11,316,038	\$ 11,175,270
394.50%	236.30%	170.70%

(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 Seven 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>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 3,320,273	\$ 2,190,940	\$ 3,459,315	\$ 3,419,246
Investment income	8,688,821	6,058,901	9,234,329	9,618,402
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(1,433,511)	1,574	(1,336,382)	(2,422,578)
Changes of assumptions	2,059,344	-	228,889	(1,287,282)
Benefit payments, including refunds and member contributions	(5,795,896)	(3,946,419)	(6,222,695)	(6,552,552)
Administrative expense	-	-	-	-
Net change in total pension liability	6,839,031	4,304,996	5,363,456	2,775,236
Total pension liability - beginning	129,940,881	136,779,912	141,084,908	146,448,364
<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>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 5,007,300	\$ 5,057,400	\$ 5,100,000	\$ 4,889,000
Contributions - member	967,685	689,993	989,862	1,021,422
Contributions - other	1,451	21,628	20	5,406
Net investment income	6,263,908	(2,559,246)	6,915,387	12,680,482
Benefit payments, including refunds of member contributions	(5,795,897)	(3,946,419)	(6,222,695)	(6,552,552)
Administrative expense	(35,679)	(62,395)	(62,158)	(27,283)
Net change in plan fiduciary net position	6,408,768	(799,039)	6,720,416	12,016,475
Plan fiduciary net position - beginning	85,488,074	91,896,842	91,097,803	97,818,219
<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>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>
Plan fiduciary net position as a percentage of the total pension liability	67.19%	64.57%	66.79%	73.60%
Covered payroll	\$ 10,022,659	\$ 10,617,314	\$ 10,623,394	\$ 10,874,876
Employer's net pension liability as a percentage of covered payrc	447.80%	470.80%	457.80%	362.20%

Notes to Required Supplementary Information

**Year Ended December 31, 2020** - There were change in mortality rates from the prior year.

**Year Ended December 31, 2019** - There were change in mortality rates. In addition, there were changes in plan benefits required under PA-101-0610 (SB 1300).

**Year Ended December 31, 2018** - There were change in mortality rates from the prior year.

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

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

**Year Ended April 30, 2015** - There were change in the actuarial cost method from projected unit

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.

<u>12/31/2018</u>	<u>12/31/2019</u>	<u>12/31/2020</u>
\$ 3,524,860	\$ 3,677,732	\$ 3,703,881
9,793,838	10,133,648	10,454,457
-	(140,839)	-
(843,543)	(1,350,024)	(1,740,361)
(832,861)	(113,594)	99,604
(6,832,215)	(7,210,277)	(7,617,823)
-	(28,405)	(28,116)
4,810,079	4,968,241	4,871,642
149,223,600	154,033,679	159,001,920
<u>\$ 154,033,679</u>	<u>\$ 159,001,920</u>	<u>\$ 163,873,562</u>
\$ 6,353,000	\$ 6,203,000	\$ 5,130,000
1,065,390	1,097,478	1,141,126
641	1,299	6,208
(3,662,611)	17,090,656	13,683,719
(6,832,215)	(7,210,277)	(7,617,823)
(28,953)	(28,405)	(28,116)
(3,104,748)	17,153,751	12,315,114
109,834,694	106,729,946	123,883,697
<u>\$ 106,729,946</u>	<u>\$ 123,883,697</u>	<u>\$ 136,198,811</u>
<u>\$ 47,303,733</u>	<u>\$ 35,118,223</u>	<u>\$ 27,674,751</u>
69.29%	77.91%	83.11%
\$ 11,626,566	\$ 11,281,241	\$ 11,851,132
406.90%	311.30%	233.50%

(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**

Last Five Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019*</b>
Employer's proportion of net pension liability	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%
Employer's proportionate share of net pension liability	10,753,457	\$ 16,955,133	\$ 17,742,985	\$ 3,784,058	\$ 22,559,933	\$ 10,898,733
Employer's covered payroll	18,004,915	18,148,759	18,553,451	19,122,774	19,447,399	20,055,727
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	59.73%	93.42%	95.63%	19.79%	116.00%	54.34%
Plan fiduciary net position as a percentage of the total pension liability	90.96%	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.

\*The Village elected to report information from the December 31, 2019 actuarial valuation. See Note 15 for further 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 CHANGES IN THE EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS OTHER POSTEMPLOYMENT BENEFIT PLAN

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020
<b>TOTAL OPEB LIABILITY</b>			
Service cost	\$ 650,191	\$ 570,040	\$ 741,577
Interest	726,304	983,165	779,169
Benefit changes	-	-	(866,236)
Changes in assumptions	(1,191,261)	3,921,667	2,213,789
Differences between expected and actual experience	3,749,195	-	(3,274,902)
Implicit benefit payments	(1,028,719)	(1,107,830)	(1,134,306)
Net change in total OPEB liability	2,905,710	4,367,042	(1,540,909)
Total OPEB liability - beginning	21,627,827	24,533,537	28,900,579
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u>\$ 24,533,537</u>	<u>\$ 28,900,579</u>	<u>\$ 27,359,670</u>
Covered payroll	\$ 44,727,544	\$ 41,876,464	\$ 41,370,995
Employer's total OPEB liability as a percentage of covered payroll	54.85%	69.01%	66.13%

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, mortality assumptions, and the withdrawal, disability and retirement rates in 2018.

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

There was a change in assumptions related to the discount rate and healthcare cost trend rates in 2020.

There was a change in benefits related to the elimination of the Affordable Care Act Excise Tax.

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.

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Seven Fiscal Years

---

<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>	<b>12/31/2020</b>
Annual money-weighted rate of return, net of investment expense	8.06%	(4.74)%	6.28%	14.90%	(5.03)%	21.27%	13.37%

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 Seven Fiscal Years

---

<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>	<b>12/31/2020</b>
Annual money-weighted rate of return, net of investment expense	11.52%	(2.50)%	7.70%	13.24%	(3.35)%	16.55%	11.30%

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, 2020

---

### **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 budgets were adopted for the TIF III Special Tax Allocation Fund and South Arlington Heights Road TIF Fund. All annual appropriations lapse at fiscal year end.



**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, 2020  
(with comparative actual)

	2020	2019
<b>ASSETS</b>		
Cash and investments	\$ 27,649,781	\$ 31,469,850
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	26,634,600	24,973,597
Other taxes	6,842,527	6,502,539
Accrued interest	-	162,621
Other	1,456,886	1,098,356
Due from other funds	200,002	200,002
Due from fiduciary funds	-	1,556
Prepaid items	130,818	218,643
Inventory	47,871	67,057
<b>TOTAL ASSETS</b>	<b>\$ 62,962,485</b>	<b>\$ 64,694,221</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 2,055,258	\$ 2,469,455
Accrued payroll	1,837,863	1,210,474
Deposits payable	1,839,810	1,929,555
Due to other funds	-	509,815
Due to fiduciary funds	-	2,722,596
Unearned revenue	7,980	-
Total liabilities	5,740,911	8,841,895
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	26,634,600	24,973,597
Total deferred inflows of resources	26,634,600	24,973,597
Total liabilities and deferred inflows of resources	32,375,511	33,815,492
<b>FUND BALANCES</b>		
Nonspendable		
Prepaid items	130,818	218,643
Inventory	47,871	67,057
Unrestricted		
Assigned		
Disabled citizens programs	5,049	4,387
Emergency assistance programs	239,487	234,442
Senior center maintenance	306,000	442,000
Canine unit donation	127,793	127,793
TIF refund	150,000	-
Subsequent year budget	691,700	-
Unassigned	28,888,256	29,784,407
Total fund balances	30,586,974	30,878,729
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 62,962,485</b>	<b>\$ 64,694,221</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>TAXES</b>				
Property taxes	\$ 24,973,600	\$ 24,973,600	\$ 24,563,166	\$ 23,999,484
Other taxes				
Hotel tax	1,075,000	1,075,000	408,888	1,109,349
Food/beverage tax	2,116,000	2,116,000	1,577,787	2,079,454
Sales tax - home rule	5,487,000	5,487,000	4,654,737	5,401,119
Telecommunications tax	2,156,000	2,156,000	1,868,788	2,356,604
Natural gas utility tax	2,200,000	2,200,000	2,062,240	2,319,957
Electric utility tax	3,100,000	3,100,000	2,830,115	2,900,788
Other taxes	73,000	73,000	20,109	61,304
 Total other taxes	 16,207,000	 16,207,000	 13,422,664	 16,228,575
 Total taxes	 41,180,600	 41,180,600	 37,985,830	 40,228,059
<b>LICENSES AND PERMITS</b>				
Business licenses	720,000	720,000	623,075	637,785
Liquor licenses	425,000	425,000	245,204	409,173
Vehicle licenses	1,430,000	1,430,000	1,237,102	1,764,964
Dog licenses	62,000	62,000	65,306	64,590
Public chauffeur licenses	1,000	1,000	160	960
Multi-dwelling licenses	70,000	70,000	76,448	63,077
Revenue suspense OL	-	-	(49,237)	37,319
Building permits	1,200,000	1,200,000	920,457	1,393,046
Early start permit	-	-	-	500
Foundation only permit	-	-	-	300
Electrical permits	115,000	115,000	88,565	193,132
Plumbing permits	90,000	90,000	59,573	119,065
Sign permits	13,000	13,000	12,000	11,760
Elevator permits	80,000	80,000	53,610	62,468
Occupancy permits	25,000	25,000	7,320	27,330
Driveway permits	6,000	6,000	187	3,102
Air conditioner permits	14,000	14,000	12,423	32,893
Swimming pool permits	1,000	1,000	7,143	1,899
Chimney permits	2,000	2,000	1,900	2,520
Wrecking permits	7,500	7,500	7,625	6,828
Other permits	1,000	1,000	3,165	2,048
 Total licenses and permits	 4,262,500	 4,262,500	 3,372,026	 4,834,759
<b>INTERGOVERNMENTAL</b>				
Shared income tax	7,974,800	7,974,800	8,161,144	7,993,678
Municipal sales tax	12,693,000	12,693,000	12,480,915	12,914,676
State use tax	2,600,000	2,600,000	3,290,912	2,488,121
Replacement tax	450,000	450,000	470,094	523,154
 Total intergovernmental	 23,717,800	 23,717,800	 24,403,065	 23,919,629

(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, 2020

(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>GRANTS</b>				
Training reimbursement	\$ 20,000	\$ 20,000	\$ 71,645	\$ 33,582
Task force reimbursement	25,000	25,000	19,001	41,670
Counselor in the park	23,000	23,000	-	23,000
Library services	-	-	129,267	-
Other grants	160,000	225,000	978,862	215,392
Total grants	228,000	293,000	1,198,775	313,644
<b>CHARGES FOR SERVICES</b>				
Escrow deposits	7,000	7,000	14,060	23,066
Guaranteed bonds	3,000	3,000	6,761	11,310
Total charges for services	10,000	10,000	20,821	34,376
<b>FINES AND FEES</b>				
Traffic court fines	270,000	270,000	201,138	203,795
Parking fines	240,000	240,000	138,452	204,229
Compliance ticket fines	6,000	6,000	3,930	7,271
Ordinance ticket fines	50,000	50,000	50,280	58,490
Other fines	5,100	5,100	1,465	14,579
Cable franchise fees	1,500,000	1,500,000	1,381,140	1,444,171
Photocopy fees	-	-	-	37
Special PW detail fees	7,900	7,900	2,878	13,635
Plan commission hearings	20,000	20,000	17,985	18,950
Rezoning fees	10,000	10,000	10,340	7,176
Plan exam fees	100,000	100,000	80,283	117,966
Fire plan examination fees	42,000	42,000	40,570	45,276
Engineering service fees	110,000	110,000	166,062	192,235
Ambulance service fees	2,650,000	2,650,000	2,581,259	2,724,531
Special police detail	242,700	242,700	74,702	245,280
Police counselor fees	325,000	325,000	302,614	348,755
Police records fees	10,000	10,000	11,311	15,417
Special fire detail	58,200	58,200	7,364	41,330
False alarm fees	35,000	35,000	14,650	19,750
Chemical user fees	12,000	12,000	9,990	10,380
DUI administration charges	60,000	60,000	59,600	91,200
Weed cutting fees	4,000	4,000	1,600	7,040
Animal detention fees	-	-	175	50
Other fees	40,000	40,000	26,945	55,089
Total fines and fees	5,797,900	5,797,900	5,184,733	5,886,632
<b>INVESTMENT INCOME</b>	411,000	411,000	159,744	710,851

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>MISCELLANEOUS</b>				
Damage claims	\$ 53,000	\$ 53,000	\$ 47,397	\$ 36,665
Equipment sales	5,000	5,000	29,352	6,083
Scrap sales	2,000	2,000	1,522	3,787
Sale of plans bid specs	2,000	2,000	1,260	880
Rents and concessions	34,000	34,000	23,912	23,912
Train station rents	13,000	13,000	2,604	13,289
Traffic signal maintenance	34,000	34,000	31,775	33,933
Hearts of gold awards	19,000	19,000	13,860	-
Premium sponsor	-	-	7,500	-
NWCH in lieu of property taxes	243,900	243,900	248,736	236,891
Senior center donations	7,000	7,000	1,351	6,822
Radon testing	-	-	10	-
Disabled citizen donations	100	100	947	1,101
Class 6B rebate	-	-	-	-
Wellness programs	12,000	12,000	3,676	6,286
Wellness home visits	5,000	5,000	3,116	2,872
Emergency Assistance	23,000	48,000	29,323	26,095
Bad debt recovery	10,000	10,000	23,311	15,672
Other income	30,000	30,000	35,575	219,093
Total miscellaneous	493,000	518,000	505,227	633,381
<b>TOTAL REVENUES</b>	<b>\$ 76,100,800</b>	<b>\$ 76,190,800</b>	<b>\$ 72,830,221</b>	<b>\$ 76,561,331</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>				
Board of Trustees	\$ 173,300	\$ 173,300	\$ 164,618	\$ 200,485
Village Manager	1,031,400	1,039,000	1,029,750	972,263
Human resources	424,100	426,300	390,502	405,787
Legal	779,500	779,500	801,878	814,500
Finance	2,431,100	2,306,300	2,359,813	2,394,919
Boards and commissions	210,500	210,500	168,043	158,835
Total general government	5,049,900	4,934,900	4,914,604	4,946,789
<b>PUBLIC SAFETY</b>				
Police	27,249,100	27,323,405	25,771,270	27,073,223
Fire	23,808,300	23,955,388	23,848,142	24,337,932
Total public safety	51,057,400	51,278,793	49,619,412	51,411,155
<b>HIGHWAYS AND STREETS</b>				
Public works	13,206,600	13,311,619	12,246,299	12,754,757
<b>COMMUNITY DEVELOPMENT</b>				
Planning and community development	1,822,400	1,875,406	1,668,986	1,627,866
Building	2,789,700	2,844,700	2,745,590	2,619,758
Total community development	4,612,100	4,720,106	4,414,576	4,247,624
<b>HEALTH AND WELFARE</b>				
Senior services	490,900	498,460	454,572	444,289
Health services	1,883,900	1,908,900	1,822,513	1,784,676
Total health and welfare	2,374,800	2,407,360	2,277,085	2,228,965
<b>TOTAL EXPENDITURES</b>	<b>\$ 76,300,800</b>	<b>\$ 76,652,778</b>	<b>\$ 73,471,976</b>	<b>\$ 75,589,290</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</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	\$ 29,733	\$ 30,666
Fringe benefits	3,500	3,500	3,449	3,298
Contractual services	137,400	137,400	130,349	165,073
Commodities	1,500	1,500	1,087	1,448
Total board of trustees	173,300	173,300	164,618	200,485
Integrated services				
Salaries	703,300	703,300	714,979	685,542
Fringe benefits	233,600	233,600	233,453	208,503
Contractual services	86,600	94,200	74,680	71,911
Commodities	7,900	7,900	6,638	6,307
Total integrated services	1,031,400	1,039,000	1,029,750	972,263
Human resources				
Salaries	241,000	241,000	241,931	237,372
Fringe benefits	101,000	101,000	101,042	92,769
Contractual services	56,700	56,700	43,814	57,075
Commodities	2,700	4,900	3,182	2,332
Other charges	22,700	22,700	533	16,239
Total human resources	424,100	426,300	390,502	405,787
Legal				
Salaries	391,100	391,100	383,413	371,525
Fringe benefits	142,700	142,700	141,435	127,300
Contractual services	234,200	234,200	269,610	305,971
Commodities	11,500	11,500	7,420	9,704
Total legal	779,500	779,500	801,878	814,500
Finance				
Salaries	982,000	982,000	977,774	953,892
Fringe benefits	427,500	427,500	426,453	346,507
Contractual services	339,600	339,600	305,110	350,346
Commodities	32,000	32,000	29,715	35,411
Other charges	650,000	525,200	620,761	708,763
Total finance	2,431,100	2,306,300	2,359,813	2,394,919
Boards and commissions				
Salaries	-	-	-	4,487
Fringe benefits	-	-	-	342
Contractual services	173,200	173,200	160,084	138,940
Commodities	2,700	2,700	495	2,236
Other charges	34,600	34,600	7,464	12,830
Total boards and commissions	210,500	210,500	168,043	158,835
Total general government	5,049,900	4,934,900	4,914,604	4,946,789

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>PUBLIC SAFETY</b>				
Police				
Salaries	\$ 15,658,500	\$ 15,658,500	\$ 14,469,366	\$ 14,720,961
Fringe benefits	8,431,000	8,431,000	8,382,181	9,157,760
Contractual services	2,659,100	2,724,100	2,527,271	2,698,114
Commodities	500,500	509,805	392,452	496,388
Total police	27,249,100	27,323,405	25,771,270	27,073,223
Fire				
Salaries	13,029,900	13,029,900	13,196,012	12,791,312
Fringe benefits	8,495,600	8,495,600	8,491,871	9,444,461
Contractual services	1,897,800	1,912,800	1,807,549	1,783,612
Commodities	385,000	517,088	352,710	318,547
Total fire	23,808,300	23,955,388	23,848,142	24,337,932
Total public safety	51,057,400	51,278,793	49,619,412	51,411,155
<b>HIGHWAYS AND STREETS</b>				
Public works				
Salaries	5,825,100	5,825,100	5,375,811	5,559,704
Fringe benefits	2,647,400	2,647,400	2,509,131	2,426,121
Contractual services	3,252,000	3,354,881	3,264,013	3,264,390
Commodities	1,482,100	1,484,238	1,097,344	1,504,542
Total highways and streets	13,206,600	13,311,619	12,246,299	12,754,757
<b>COMMUNITY DEVELOPMENT</b>				
Planning and community development				
Salaries	1,083,000	1,083,000	1,089,890	1,053,901
Fringe benefits	435,900	435,900	434,376	393,962
Contractual services	134,700	150,700	112,157	94,580
Commodities	11,800	19,438	9,598	10,762
Other charges	157,000	186,368	22,965	74,661
Total planning and community development	1,822,400	1,875,406	1,668,986	1,627,866
Building services				
Salaries	1,681,900	1,681,900	1,670,972	1,585,141
Fringe benefits	679,100	679,100	674,127	605,468
Contractual services	400,900	455,900	373,879	399,192
Commodities	27,800	27,800	26,612	29,957
Total building services	2,789,700	2,844,700	2,745,590	2,619,758
Total community development	4,612,100	4,720,106	4,414,576	4,247,624

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>HEALTH AND WELFARE</b>				
Senior services				
Salaries	\$ 371,000	\$ 371,000	\$ 361,001	\$ 341,969
Contractual services	92,600	92,600	82,944	82,517
Commodities	27,300	34,860	10,627	19,803
Total senior services	490,900	498,460	454,572	444,289
Health services				
Salaries	1,030,700	1,030,700	1,004,810	1,018,223
Fringe benefits	523,100	523,100	521,446	475,248
Contractual services	209,400	209,400	182,184	195,623
Commodities	44,700	44,700	34,485	33,332
Other charges	76,000	101,000	79,588	62,250
Total health services	1,883,900	1,908,900	1,822,513	1,784,676
Total health and welfare	2,374,800	2,407,360	2,277,085	2,228,965
<b>TOTAL EXPENDITURES</b>	<u>\$ 76,300,800</u>	<u>\$ 76,652,778</u>	<u>\$ 73,471,976</u>	<u>\$ 75,589,290</u>

(See independent auditor's report.)

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## DEBT SERVICE FUND

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

For the Year Ended December 31, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 6,690,350	\$ 6,690,350	\$ 6,578,464	\$ 6,747,697
Investment income	47,000	47,000	29,171	103,952
Miscellaneous	285,700	285,700	285,675	305,108
<b>Total revenues</b>	<b>7,023,050</b>	<b>7,023,050</b>	<b>6,893,310</b>	<b>7,156,757</b>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	5,690,000	5,690,000	5,690,000	5,650,000
Interest and fiscal charges	1,981,400	1,981,400	1,977,545	2,110,912
Issuance costs	-	-	-	110,752
<b>Total expenditures</b>	<b>7,671,400</b>	<b>7,671,400</b>	<b>7,667,545</b>	<b>7,871,664</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(648,350)</b>	<b>(648,350)</b>	<b>(774,235)</b>	<b>(714,907)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	-	-	-	7,985,000
Premium on bonds issued	-	-	-	1,516,526
Payment to escrow agent	-	-	-	(9,493,511)
Transfers in	690,300	690,300	690,300	691,900
<b>Total other financing sources (uses)</b>	<b>690,300</b>	<b>690,300</b>	<b>690,300</b>	<b>699,915</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 41,950</b>	<b>\$ 41,950</b>	<b>(83,935)</b>	<b>(14,992)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>2,182,035</b>	<b>2,197,027</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 2,098,100</b>	<b>\$ 2,182,035</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Taxes				
Property	\$ 5,500,000	\$ 5,500,000	\$ 5,408,020	\$ 5,292,801
Other	1,829,000	1,829,000	1,551,580	1,800,372
Grants	-	-	16,484	31,143
Investment income	80,000	80,000	69,871	273,920
Miscellaneous	175,000	208,700	405,737	72,869
Total revenues	7,584,000	7,617,700	7,451,692	7,471,105
<b>EXPENDITURES</b>				
Capital outlay				
Contractual services	-	5,100	5,069	28,258
Equipment	946,300	957,400	629,962	874,236
Construction	8,194,400	9,936,940	4,451,198	7,763,008
Debt service				
Issuance costs	-	-	136,048	-
Total expenditures	9,140,700	10,899,440	5,222,277	8,665,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,556,700)	(3,281,740)	2,229,415	(1,194,397)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	-	9,045,200	10,252,000	-
Premium on bonds issued	-	-	1,944,357	-
Transfers in	300,000	300,000	300,000	1,600,000
Transfers (out)	(42,800)	(9,088,000)	(9,088,032)	-
Total other financing sources (uses)	257,200	257,200	3,408,325	1,600,000
NET CHANGE IN FUND BALANCE	<u>\$ (1,299,500)</u>	<u>\$ (3,024,540)</u>	5,637,740	405,603
FUND BALANCE, JANUARY 1			11,100,698	10,695,095
FUND BALANCE, DECEMBER 31			<u>\$ 16,738,438</u>	<u>\$ 11,100,698</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.

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.

Hickory Kensington TIF Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's Hickory Kensington Tax Increment Financing District.

South Arlington Heights Road TIF Fund - to account for revenues and expenditures associated with the formation and redevelopment of the Village's South Arlington Heights Road Tax Increment Financing District.

### **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, 2020

	<b>Special Revenue Funds</b>				
	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Affordable Housing</b>	<b>Zero Interest Loan</b>	<b>Foreign Fire Insurance</b>
<b>ASSETS</b>					
Cash and investments	\$ 4,817,240	\$ 26,479	\$ 446,844	\$ 513,710	\$ 487,894
Receivables					
Property taxes	-	-	-	-	-
Other taxes	249,307	-	-	-	-
Accrued interest	-	-	-	-	-
CDBG rehabilitation loans	-	1,978,724	-	-	-
Grants	-	179,095	-	-	-
Other	-	-	-	335,702	-
Prepaid items	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 5,066,547</b>	<b>\$ 2,184,298</b>	<b>\$ 446,844</b>	<b>\$ 849,412</b>	<b>\$ 487,894</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 140,441	\$ 1,209	\$ -	\$ -	\$ 1,097
Accrued payroll	-	4,363	-	-	-
Due to other funds	-	200,002	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>140,441</b>	<b>205,574</b>	<b>-</b>	<b>-</b>	<b>1,097</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	1,978,724	-	335,702	-
Unavailable revenue - property taxes	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,978,724</b>	<b>-</b>	<b>335,702</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>140,441</b>	<b>2,184,298</b>	<b>-</b>	<b>335,702</b>	<b>1,097</b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted					
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	486,797
Highways and streets	4,926,106	-	-	-	-
Community development	-	-	446,844	513,710	-
Stormwater control	-	-	-	-	-
Unrestricted					
Assigned					
Public parking	-	-	-	-	-
Public building	-	-	-	-	-
<b>Total fund balances</b>	<b>4,926,106</b>	<b>-</b>	<b>446,844</b>	<b>513,710</b>	<b>486,797</b>
<b>TOTAL LIABILITIES, DEFERRFED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 5,066,547</b>	<b>\$ 2,184,298</b>	<b>\$ 446,844</b>	<b>\$ 849,412</b>	<b>\$ 487,894</b>

Special Revenue Funds						Capital Projects			
Criminal Investigations	Municipal Parking Operations	TIF IV	TIF V	Hickory Kensington TIF	South Arlington Heights Road TIF	TIF III Special Tax Allocation	Stormwater Control	Public Building	Total
\$ 1,466,530	\$ 5,642,635	\$ 3,482,779	\$ 3,161,156	\$ 2,480,599	\$ -	\$ -	\$ 9,839,046	\$ 3,513,398	\$ 35,878,310
-	-	571,800	738,100	558,500	100,000	-	-	-	1,968,400
-	-	-	-	-	-	-	-	-	249,307
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,978,724
-	-	-	-	-	-	-	-	-	179,095
1,750	6,770	-	-	-	-	-	164,346	-	508,568
-	-	50,000	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	-	-	-
<u>\$ 1,468,280</u>	<u>\$ 5,649,405</u>	<u>\$ 4,104,579</u>	<u>\$ 3,899,256</u>	<u>\$ 3,039,099</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 10,003,392</u>	<u>\$ 3,513,398</u>	<u>\$ 40,812,404</u>
\$ 34,201	\$ 17,681	\$ 6,884	\$ -	\$ -	\$ -	\$ -	\$ 76,804	\$ 220,041	\$ 498,358
-	6,006	-	-	-	-	-	-	-	10,369
-	-	-	-	-	-	-	-	-	200,002
-	12,750	-	-	-	-	-	-	-	12,750
<u>34,201</u>	<u>36,437</u>	<u>6,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,804</u>	<u>220,041</u>	<u>721,479</u>
-	-	-	-	-	-	-	-	-	2,314,426
-	-	571,800	738,100	558,500	100,000	-	-	-	1,968,400
-	-	571,800	738,100	558,500	100,000	-	-	-	4,282,826
<u>34,201</u>	<u>36,437</u>	<u>578,684</u>	<u>738,100</u>	<u>558,500</u>	<u>100,000</u>	<u>-</u>	<u>76,804</u>	<u>220,041</u>	<u>5,004,305</u>
-	-	50,000	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	587,252	2,234,452	2,821,704
1,434,079	-	-	-	-	-	-	-	-	1,920,876
-	-	-	-	-	-	-	-	-	4,926,106
-	-	3,475,895	3,161,156	2,480,599	-	-	-	-	10,078,204
-	-	-	-	-	-	-	9,339,336	-	9,339,336
-	5,612,968	-	-	-	-	-	-	-	5,612,968
-	-	-	-	-	-	-	-	1,058,905	1,058,905
<u>1,434,079</u>	<u>5,612,968</u>	<u>3,525,895</u>	<u>3,161,156</u>	<u>2,480,599</u>	<u>-</u>	<u>-</u>	<u>9,926,588</u>	<u>3,293,357</u>	<u>35,808,099</u>
<u>\$ 1,468,280</u>	<u>\$ 5,649,405</u>	<u>\$ 4,104,579</u>	<u>\$ 3,899,256</u>	<u>\$ 3,039,099</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 10,003,392</u>	<u>\$ 3,513,398</u>	<u>\$ 40,812,404</u>

(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, 2020

	<b>Special Revenue</b>				
	<b>Motor Fuel Tax</b>	<b>Community Development Block Grant</b>	<b>Affordable Housing</b>	<b>Zero Interest Loan</b>	<b>Foreign Fire Insurance</b>
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 151,399
Intergovernmental	2,733,024	-	-	-	-
Grants	1,649,817	356,951	-	-	-
Charges for services	-	-	-	271,919	-
Fines and fees	-	-	-	-	-
Investment income	8,590	-	1,820	2,485	1,719
Miscellaneous	-	43,639	130,500	-	-
Total revenues	4,391,431	400,590	132,320	274,404	153,118
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	170,084	-
Public safety	-	-	-	-	91,427
Highways and streets	-	-	-	-	-
Community development	-	443,390	-	-	-
Capital outlay	2,371,133	-	-	-	-
Debt service	-	-	-	-	-
Issuance costs	-	-	-	-	-
Total expenditures	2,371,133	443,390	-	170,084	91,427
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	2,020,298	(42,800)	132,320	104,320	61,691
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued, at par	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-
Transfers in	-	42,800	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	42,800	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	2,020,298	-	132,320	104,320	61,691
<b>FUND BALANCE, JANUARY 1</b>	2,905,808	-	314,524	409,390	425,106
<b>FUND BALANCE , DECEMBER 31</b>	\$ 4,926,106	\$ -	\$ 446,844	\$ 513,710	\$ 486,797

Special Revenue						Capital Projects			
Criminal Investigations	Municipal Parking Operations	TIF IV	TIF V	Hickory Kensington TIF	South Arlington Heights Road TIF	TIF III Special Tax Allocation	Stormwater Control	Public Building	Total
\$ -	\$ -	\$ 756,181	\$ 984,960	\$ 806,644	\$ -	\$ -	\$ -	\$ -	\$ 2,699,184
29,017	-	-	-	-	-	-	-	-	2,762,041
-	-	-	-	-	-	-	-	-	2,006,768
-	883,688	-	-	-	-	-	1,603,413	-	2,759,020
-	37,463	-	-	-	-	-	-	-	37,463
2,547	25,243	17,178	14,092	11,523	-	-	48,879	17,883	151,959
-	5,548	-	-	-	-	-	-	190,106	369,793
31,564	951,942	773,359	999,052	818,167	-	-	1,652,292	207,989	10,786,228
-	-	-	-	-	-	-	-	-	170,084
300,759	-	-	-	-	-	-	-	-	392,186
-	1,076,154	-	-	-	-	-	-	-	1,076,154
-	-	68,883	-	15,000	-	-	-	-	527,273
-	543,288	-	738	-	-	-	973,582	-	3,888,741
-	18,552	-	-	-	-	-	-	-	18,552
300,759	1,637,994	68,883	738	15,000	-	-	973,582	-	6,072,990
(269,195)	(686,052)	704,476	998,314	803,167	-	-	678,710	207,989	4,713,238
-	1,398,000	-	-	-	-	-	-	-	1,398,000
-	265,140	-	-	-	-	-	-	-	265,140
-	-	-	-	-	-	-	-	-	42,800
-	-	-	-	-	-	(150,000)	(690,300)	-	(840,300)
-	1,663,140	-	-	-	-	(150,000)	(690,300)	-	865,640
(269,195)	977,088	704,476	998,314	803,167	-	(150,000)	(11,590)	207,989	5,578,878
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
\$ 1,434,079	\$ 5,612,968	\$ 3,525,895	\$ 3,161,156	\$ 2,480,599	\$ -	\$ -	\$ 9,926,588	\$ 3,293,357	\$ 35,808,099

(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, 2020  
(with comparative actual)

	2020			2019
	Original Budget	Final Budget	Actual	Actual
<b>REVENUES</b>				
Intergovernmental				
Motor fuel tax revenues	\$ 2,500,000	\$ 2,500,000	\$ 2,733,024	\$ 2,463,757
Grants	-	-	1,649,817	-
Investment income	4,000	4,000	8,590	15,286
Total revenues	2,504,000	2,504,000	4,391,431	2,479,043
<b>EXPENDITURES</b>				
Capital outlay	2,512,100	2,513,206	2,371,133	1,873,979
Total expenditures	2,512,100	2,513,206	2,371,133	1,873,979
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (8,100)</u>	<u>\$ (9,206)</u>	2,020,298	605,064
<b>FUND BALANCE, JANUARY 1</b>			2,905,808	2,300,744
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 4,926,106</u>	<u>\$ 2,905,808</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental				
Federal grants	\$ 408,800	\$ 580,661	\$ 356,951	\$ 340,802
Program income	50,000	50,000	43,639	38,782
Total revenues	458,800	630,661	400,590	379,584
<b>EXPENDITURES</b>				
Current				
Community development				
Planning and community development				
Salaries	60,500	60,500	60,500	68,000
CDBG program				
Other charges	441,100	612,961	382,890	311,584
Total expenditures	501,600	673,461	443,390	379,584
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(42,800)	(42,800)	(42,800)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	42,800	42,800	42,800	-
Total other financing sources (uses)	42,800	42,800	42,800	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, JANUARY 1			-	-
<b>FUND BALANCE, DECEMBER 31</b>			<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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 1,820	\$ 3,101
Miscellaneous income	395,000	395,000	130,500	122,550
Total revenues	395,000	395,000	132,320	125,651
<b>EXPENDITURES</b>				
Health and welfare	25,000	25,000	-	-
Total expenditures	25,000	25,000	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	370,000	370,000	132,320	125,651
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	188,873
NET CHANGE IN FUND BALANCE	<u>\$ 370,000</u>	<u>\$ 370,000</u>	132,320	314,524
FUND BALANCE, JANUARY 1			314,524	-
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 446,844</u>	<u>\$ 314,524</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Loan repayments	\$ 78,000.00	\$ 78,000	\$ 271,919	\$ 209,969
Investment income	-	-	2,485	3,936
Total revenues	78,000	78,000	274,404	213,905
<b>EXPENDITURES</b>				
Current				
General Government				
Integrated services				
Contractual services	150,000	150,000	170,084	48,300
Total expenditures	150,000	150,000	170,084	48,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(72,000)	(72,000)	104,320	165,605
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	243,785
Total other financing sources (uses)	-	-	-	243,785
NET CHANGE IN FUND BALANCE	<u>\$ (72,000)</u>	<u>\$ (72,000)</u>	104,320	409,390
FUND BALANCE, JANUARY 1			409,390	-
FUND BALANCE, DECEMBER 31			<u>\$ 513,710</u>	<u>\$ 409,390</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</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	\$ 151,399	\$ 134,895
Investment income	2,500	2,500	1,719	9,918
Miscellaneous income	-	-	-	855
Total revenues	132,500	132,500	153,118	145,668
<b>EXPENDITURES</b>				
Current				
Public safety				
Contractual	75,000	75,000	23,260	28,970
Commodities	175,000	189,754	68,167	133,381
Total expenditures	250,000	264,754	91,427	162,351
NET CHANGE IN FUND BALANCE	<u>\$ (117,500)</u>	<u>\$ (132,254)</u>	61,691	(16,683)
FUND BALANCE, JANUARY 1			425,106	441,789
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 486,797</u>	<u>\$ 425,106</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 29,017	\$ 191,191
Investment income	8,700	8,700	2,547	13,757
Miscellaneous income	-	-	-	5,095
Total revenues	103,700	103,700	31,564	210,043
<b>EXPENDITURES</b>				
Current				
Public safety				
Other charges	303,300	321,060	300,759	522,947
Total expenditures	303,300	321,060	300,759	522,947
NET CHANGE IN FUND BALANCE	<u>\$ (199,600)</u>	<u>\$ (217,360)</u>	(269,195)	(312,904)
FUND BALANCE, JANUARY 1			1,703,274	2,016,178
FUND BALANCE, DECEMBER 31			<u>\$ 1,434,079</u>	<u>\$ 1,703,274</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Charges for services	\$ 1,181,500	\$ 1,181,500	\$ 883,688	\$ 1,305,815
Fines and forfeitures	70,000	70,000	37,463	57,470
Investment income	42,000	42,000	25,243	97,198
Miscellaneous	-	-	5,548	8,828
Total revenues	1,293,500	1,293,500	951,942	1,469,311
<b>EXPENDITURES</b>				
Current				
Highways and streets				
Personal services	575,000	575,000	465,020	471,949
Contractual services	365,700	365,700	244,447	343,911
Commodities	97,400	98,825	79,387	80,563
Other charges	287,300	287,300	287,300	281,700
Capital outlay	263,000	677,820	543,288	370,384
Debt service				
Issuance costs	-	-	18,552	-
Total expenditures	1,588,400	2,004,645	1,637,994	1,548,507
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(294,900)	(711,145)	(686,052)	(79,196)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued, at par	-	-	1,398,000	-
Premium on bonds issued	-	-	265,140	-
Transfers in	-	-	-	91
Total other financing sources (uses)	-	-	1,663,140	91
NET CHANGE IN FUND BALANCE	<u>\$ (294,900)</u>	<u>\$ (711,145)</u>	977,088	(79,105)
FUND BALANCE, JANUARY 1			4,635,880	4,714,985
FUND BALANCE, DECEMBER 31			<u>\$ 5,612,968</u>	<u>\$ 4,635,880</u>

(See independent auditor's report.)

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

For the Year Ended December 31, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 571,800	\$ 571,800	\$ 756,181	\$ 594,782
Investment income	19,500	19,500	17,178	60,404
Miscellaneous	-	-	-	3,605
Total revenues	591,300	591,300	773,359	658,791
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	50,000	52,114	18,883	8,789
Other expenditures	50,000	50,000	50,000	50,000
Capital outlay	910,000	910,000	-	-
Total expenditures	1,010,000	1,012,114	68,883	58,789
NET CHANGE IN FUND BALANCE	<u>\$ (418,700)</u>	<u>\$ (420,814)</u>	704,476	600,002
FUND BALANCE, JANUARY 1			2,821,419	2,221,417
FUND BALANCE, DECEMBER 31			<u>\$ 3,525,895</u>	<u>\$ 2,821,419</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 738,100	\$ 738,100	\$ 984,960	\$ 722,952
Investment income	8,100	8,100	14,092	45,805
Miscellaneous	-	-	-	3,342
Total revenues	746,200	746,200	999,052	772,099
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	15,000	15,000	-	800
Capital outlay	332,000	343,206	738	12,809
Total expenditures	347,000	358,206	738	13,609
NET CHANGE IN FUND BALANCE	<u>\$ 399,200</u>	<u>\$ 387,994</u>	998,314	758,490
FUND BALANCE, JANUARY 1			2,162,842	1,404,352
FUND BALANCE, DECEMBER 31			<u>\$ 3,161,156</u>	<u>\$ 2,162,842</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Property taxes	\$ 558,500	\$ 558,500	\$ 806,644	\$ 515,934
Investment income	10,000	10,000	11,523	35,318
Miscellaneous	-	-	-	400
Total revenues	568,500	568,500	818,167	551,652
<b>EXPENDITURES</b>				
Current				
Community development				
Contractual services	75,000	80,900	-	-
Other expenditures	15,000	15,000	15,000	30,000
Capital outlay	800,000	800,000	-	-
Total expenditures	890,000	895,900	15,000	30,000
NET CHANGE IN FUND BALANCE	<u>\$ (321,500)</u>	<u>\$ (327,400)</u>	803,167	521,652
FUND BALANCE, JANUARY 1			1,677,432	1,155,780
FUND BALANCE, DECEMBER 31			<u>\$ 2,480,599</u>	<u>\$ 1,677,432</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</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	\$ 1,603,413	\$ 1,675,263
Intergovernmental	1,800,000	1,800,000	-	1,970,000
Investment income	49,000	49,000	48,879	278,556
Miscellaneous	-	-	-	71,151
Total revenues	3,479,400	3,479,400	1,652,292	3,994,970
<b>EXPENDITURES</b>				
Capital outlay	6,635,000	8,557,103	973,582	8,252,798
Total expenditures	6,635,000	8,557,103	973,582	8,252,798
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,155,600)	(5,077,703)	678,710	(4,257,828)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	-	-
Transfers (out)	(690,300)	(690,300)	(690,300)	(691,900)
Total other financing sources (uses)	(190,300)	(190,300)	(690,300)	(691,900)
NET CHANGE IN FUND BALANCE	<u>\$ (3,345,900)</u>	<u>\$ (5,268,003)</u>	(11,590)	(4,949,728)
FUND BALANCE, JANUARY 1			9,938,178	14,887,906
FUND BALANCE, DECEMBER 31			<u>\$ 9,926,588</u>	<u>\$ 9,938,178</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUES</b>				
Investment income	\$ -	\$ -	\$ 17,883	\$ 68,015
Miscellaneous	-	-	190,106	198,164
Total revenues	-	-	207,989	266,179
<b>EXPENDITURES</b>				
Capital outlay				
Contractual services	-	123,967	-	-
Capital outlay	560,000	578,813	-	84,362
Total expenditures	560,000	702,780	-	84,362
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(560,000)	(702,780)	207,989	181,817
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	-	(800,000)
Total other financing sources (uses)	-	-	-	(800,000)
NET CHANGE IN FUND BALANCE	<u>\$ (560,000)</u>	<u>\$ (702,780)</u>	207,989	(618,183)
FUND BALANCE, JANUARY 1			3,085,368	3,703,551
FUND BALANCE, DECEMBER 31			<u>\$ 3,293,357</u>	<u>\$ 3,085,368</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, 2020  
(with comparative actual)

	<b>2020</b>	<b>2019</b>
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 6,975,151	\$ 920,680
Receivables		
Customer accounts	2,706,696	2,962,878
Accrued interest	-	4,299
Prepaid expenses	7,600	32,800
Inventory	547,590	377,491
	<hr/>	<hr/>
Total current assets	10,237,037	4,298,148
	<hr/>	<hr/>
<b>NONCURRENT ASSETS</b>		
Capital assets		
Nondepreciable capital assets	2,648,950	2,773,641
Depreciable capital assets	110,822,911	106,423,076
Accumulated depreciation	(82,789,173)	(81,330,341)
	<hr/>	<hr/>
Net capital assets	30,682,688	27,866,376
Other assets		
Investment in joint venture	17,921,049	17,110,382
	<hr/>	<hr/>
Total noncurrent assets	48,603,737	44,976,758
	<hr/>	<hr/>
Total assets	58,840,774	49,274,906
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Asset retirement obligation items	980,000	1,015,000
IMRF items	1,319,207	735,217
OPEB items	237,306	231,329
	<hr/>	<hr/>
Total deferred outflows of resources	2,536,513	1,981,546
	<hr/>	<hr/>
Total assets and deferred outflows of resources	61,377,287	51,256,452
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Accounts payable	318,947	1,082,939
Accrued payroll	83,802	140,373
Due to other funds	-	500,000
Compensated absences payable	52,200	43,763
Total OPEB liability	37,356	35,927
	<hr/>	<hr/>
Total current liabilities	492,305	1,803,002
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Compensated absences payable	208,803	175,051
Asset retirement obligations	1,050,000	1,050,000
Net pension liability - IMRF	2,460,494	2,460,494
Total OPEB liability	863,679	901,328
	<hr/>	<hr/>
Total long-term liabilities	4,582,976	4,586,873
	<hr/>	<hr/>
Total liabilities	5,075,281	6,389,875
	<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, 2020  
(with comparative actual)

---

	2020	2019
<b>DEFERRED INFLOWS OF RESOURCES</b>		
IMRF items	\$ 1,478,130	\$ 1,478,130
OPEB items	45,129	56,334
Total deferred inflows of resources	1,523,259	1,534,464
Total liabilities and deferred inflows of resources	6,598,540	7,924,339
<b>NET POSITION</b>		
Net investment in capital assets	30,682,688	27,866,376
Unrestricted	24,096,059	15,465,737
<b>TOTAL NET POSITION</b>	<u>\$ 54,778,747</u>	<u>\$ 43,332,113</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 21,405,200	\$ 21,405,200	\$ 19,958,979	\$ 18,454,496
Miscellaneous	96,000	96,000	50,128	144,533
Total operating revenues	21,501,200	21,501,200	20,009,107	18,599,029
<b>OPERATING EXPENSES</b>				
Personal services	7,029,800	7,029,800	6,306,303	6,812,507
Contractual services	2,655,500	2,659,850	2,557,272	2,618,264
Northwest Water Commission	4,024,200	4,024,200	3,749,826	3,676,300
Commodities	759,500	759,500	448,326	1,007,287
Charges for services	1,993,400	1,863,400	1,768,456	1,716,928
Other	6,797,600	7,707,139	3,085,315	688,625
Total operating expenses	23,260,000	24,043,889	17,915,498	16,519,911
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(1,758,800)	(2,542,689)	2,093,609	2,079,118
Depreciation and amortization	-	-	1,493,832	1,411,291
Total depreciation and amortization	-	-	1,493,832	1,411,291
OPERATING INCOME (LOSS)	(1,758,800)	(2,542,689)	599,777	667,827
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	20,000	20,000	4,486	43,175
Increase in joint venture	-	-	810,667	805,043
Other income	22,000	22,000	744,605	399,997
Total non-operating revenues (expenses)	42,000	42,000	1,559,758	1,248,215
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,716,800)	(2,500,689)	2,159,535	1,916,042
<b>TRANSFERS</b>				
Transfers in	-	9,045,200	9,045,232	45,791
<b>CONTRIBUTIONS</b>	-	-	-	-
CHANGE IN NET POSITION	\$ (1,716,800)	\$ 6,544,511	11,204,767	1,961,833
NET POSITION, JANUARY 1			43,332,113	41,370,280
Change in accounting principle			241,867	-
NET POSITION, JANUARY 1, AS RESTATED			43,573,980	41,370,280
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 54,778,747</u>	<u>\$ 43,332,113</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>PERSONAL SERVICES</b>				
Finance				
Salaries	\$ 586,100	\$ 586,100	\$ 556,068	\$ 557,902
Overtime	500	500	-	-
Workers' compensation	1,200	1,200	1,200	1,200
Medical insurance	128,500	128,500	128,500	151,600
IMRF	74,000	74,000	70,279	55,539
FICA	36,400	36,400	32,545	32,624
Medicare	8,500	8,500	7,611	7,630
Water utility operations				
Salaries	3,783,400	3,783,400	3,646,358	3,620,139
Overtime	431,100	431,100	300,196	441,746
Workers' compensation	263,300	263,300	263,300	258,100
Medical insurance	851,200	851,200	851,200	713,900
IMRF	528,700	528,700	162,014	663,829
FICA	260,800	260,800	241,683	252,649
Medicare	61,100	61,100	56,563	59,495
Compensated absences	-	-	42,188	-
OPEB	15,000	15,000	(53,402)	(3,846)
Total personal services	7,029,800	7,029,800	6,306,303	6,812,507
<b>CONTRACTUAL SERVICES</b>				
Finance				
Professional service	15,500	15,500	13,175	13,875
Other services	91,900	91,900	143,802	129,921
Travel and training	1,000	1,000	-	-
Postage	72,700	72,700	81,745	66,723
Printing	13,600	13,600	7,661	14,395
IT service charge	57,000	57,000	57,000	54,900
Water utility operations				
Professional services	184,800	189,150	77,709	60,942
General insurance	64,400	64,400	64,400	63,800
Equipment maintenance	52,800	52,800	50,203	49,101
Radio maintenance				
Building maintenance	10,000	10,000	8,899	5,714
Pumping station maintenance	20,000	20,000	3,500	19,318
Sewer collection system	12,500	12,500	13,168	27,849
Water distribution system	382,800	382,800	382,132	378,377
Meter installation	300,500	300,500	300,482	242,360
Equipment rental	206,000	206,000	148,503	177,609
Utility services	296,000	296,000	389,946	431,706
Disposal services	52,400	52,400	31,628	39,798
Other services	66,700	66,700	54,661	53,897

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</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	\$ 5,127	\$ 3,875
Travel and training	20,300	20,300	2,302	15,568
Postage	1,500	1,500	688	5,040
Printing	6,500	6,500	-	4,360
Annual consumer report	3,000	3,000	1,921	-
Service charge	175,600	175,600	175,600	172,300
Claims and refunds	10,000	10,000	-	-
Vehicle/equipment lease charge	480,900	480,900	480,900	525,600
Telephone services	52,100	52,100	62,120	61,236
Total contractual services	2,655,500	2,659,850	2,557,272	2,618,264
<b>NORTHWEST WATER COMMISSION</b>	4,024,200	4,024,200	3,749,826	3,676,300
<b>COMMODITIES</b>				
Finance				
Office supplies and equipment	1,200	1,200	12	475
Water utility operations				
Publications and periodicals	500	500	102	554
Office supplies and equipment	5,200	5,200	1,931	4,760
Data system supplies	7,200	7,200	-	3,223
Clothing	24,700	24,700	20,718	25,865
Petroleum products	77,900	77,900	51,295	68,929
Water distribution supplies	166,000	166,000	48,244	337,658
Meter/backflow devices	152,000	152,000	66,738	247,187
Pumping and storage supplies	25,000	25,000	14,218	12,905
Sewer collection supplies	31,000	31,000	24,359	26,993
Agricultural supplies	13,300	13,300	2,025	2,720
Building supplies	13,500	13,500	13,749	15,666
Chemicals	10,000	10,000	14,574	14,015
Other equipment and supplies	78,500	78,500	78,454	69,490
Small tools and equipment	15,500	15,500	18,802	18,219
Street and sidewalk supplies	125,000	125,000	80,551	146,217
Other supplies	13,000	13,000	12,554	12,411
Total commodities	759,500	759,500	448,326	1,007,287
<b>CHARGES FOR SERVICES</b>				
Water utility operations				
Administrative service charge	1,768,400	1,768,400	1,768,400	1,716,900
Operating contingency	225,000	95,000	-	-
Other	-	-	56	28
Total charges for services	1,993,400	1,863,400	1,768,456	1,716,928

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OTHER</b>				
Capital outlay				
Water utility operations				
Office equipment	\$ 15,000	\$ 15,000	\$ 12,745	\$ 16,924
Other equipment	338,400	1,055,282	918,210	480,526
Building improvements	244,200	244,200	32,773	208,824
Construction in progress	6,200,000	6,392,657	6,396,731	4,877,560
Total other	6,797,600	7,707,139	7,360,459	5,583,834
<b>TOTAL OPERATIONS</b>	<u>\$ 23,260,000</u>	<u>\$ 24,043,889</u>	22,190,642	21,415,120
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Assets capitalized			(4,275,144)	(4,895,209)
<b>TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION - GAAP BASIS</b>			<u>\$ 17,915,498</u>	<u>\$ 16,519,911</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, 2020

	<b>Solid Waste Disposal</b>	<b>Arts, Entertainment and Events</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 3,672,900	\$ 617,235	\$ 4,290,135
Receivables			
Customer accounts	73,802	50,534	124,336
Prepaid expenses	122,180	-	122,180
Total current assets	3,868,882	667,769	4,536,651
<b>CAPITAL ASSETS</b>			
Nondepreciable capital assets	-	475,200	475,200
Depreciable capital assets	-	2,615,292	2,615,292
Accumulated depreciation	-	(1,255,642)	(1,255,642)
Net capital assets	-	1,834,850	1,834,850
Total assets	3,868,882	2,502,619	6,371,501
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	3,868,882	2,502,619	6,371,501
<b>CURRENT LIABILITIES</b>			
Accounts payable	57,214	-	57,214
Total liabilities	57,214	-	57,214
<b>NET POSITION</b>			
Net investment in capital assets	-	1,834,850	1,834,850
Unrestricted	3,811,668	667,769	4,479,437
<b>TOTAL NET POSITION</b>	\$ 3,811,668	\$ 2,502,619	\$ 6,314,287

(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, 2020

	<b>Solid Waste Disposal</b>	<b>Arts, Entertainment, and Events</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,915,616	\$ 73,690	\$ 1,989,306
Total operating revenues	1,915,616	73,690	1,989,306
<b>OPERATING EXPENSES</b>			
Operations	1,522,125	382,093	1,904,218
Depreciation	-	71,706	71,706
Total operating expenses	1,522,125	453,799	1,975,924
OPERATING INCOME (LOSS)	393,491	(380,109)	13,382
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	19,202	2,226	21,428
Food and beverage tax	-	519,327	519,327
Other income	-	-	-
Total non-operating revenues (expenses)	19,202	521,553	540,755
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	412,693	141,444	554,137
<b>TRANSFERS</b>			
Transfers (out)	(500,000)	-	(500,000)
Total transfers	(500,000)	-	(500,000)
CHANGE IN NET POSITION	(87,307)	141,444	54,137
NET POSITION, JANUARY 1	3,898,975	2,361,175	6,260,150
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 3,811,668</b>	<b>\$ 2,502,619</b>	<b>\$ 6,314,287</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, 2020

	<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	\$ 1,891,315	\$ 89,817	\$ 1,981,132
Payments to suppliers	(1,474,821)	(411,095)	(1,885,916)
Net cash from operating activities	416,494	(321,278)	95,216
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	(500,000)	-	(500,000)
Food and beverage tax receipts	-	519,327	519,327
Net cash from noncapital financing activities	(500,000)	519,327	19,327
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	37,802	4,335	42,137
Net cash from investing activities	37,802	4,335	42,137
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(45,704)	202,384	156,680
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	3,718,604	414,851	4,133,455
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 3,672,900	\$ 617,235	\$ 4,290,135

(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, 2020

---

	<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)	\$ 393,491	\$ (380,109)	\$ 13,382
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	-	71,706	71,706
Change in assets and liabilities			
Receivables	(24,301)	16,127	(8,174)
Prepaid expenses	112,019	-	112,019
Accounts payable	(64,715)	(29,002)	(93,717)
	<hr/>		
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 416,494</b>	<b>\$ (321,278)</b>	<b>\$ 95,216</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</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	\$ 1,915,616	\$ 1,965,249
Total operating revenues	1,950,000	1,950,000	1,915,616	1,965,249
<b>OPERATING EXPENSES</b>				
Personal services	1,300	1,300	-	-
Operations	1,412,700	1,412,700	1,522,125	1,577,690
Total operating expenses	1,414,000	1,414,000	1,522,125	1,577,690
OPERATING INCOME	536,000	536,000	393,491	387,559
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	10,000	10,000	19,202	85,578
Other income	-	-	-	7,038
Total non-operating revenues (expenses)	10,000	10,000	19,202	92,616
INCOME BEFORE TRANSFERS	546,000	546,000	412,693	480,175
<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>\$ 46,000</u>	<u>\$ 46,000</u>	(87,307)	(19,825)
NET POSITION, JANUARY 1			3,898,975	3,918,800
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 3,811,668</u>	<u>\$ 3,898,975</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Special events	\$ 22,500	\$ 22,500	\$ -	\$ 34,580
Fines and fees	101,100	101,100	73,690	100,678
Total operating revenue	123,600	123,600	73,690	135,258
<b>OPERATING EXPENSES</b>				
Operations				
Personal services	170,600	170,600	-	188,400
Contractual	571,100	576,134	369,167	471,265
Commodities	39,500	39,500	-	36,155
Capital outlay	99,000	99,000	12,926	121,422
Depreciation	-	-	71,706	70,311
Total operating expenses	880,200	885,234	453,799	887,553
OPERATING INCOME (LOSS)	(756,600)	(761,634)	(380,109)	(752,295)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	4,500	4,500	2,226	10,292
Food and beverage tax	705,000	705,000	519,327	693,535
Other income	-	-	-	2,244
Total non-operating revenues (expenses)	709,500	709,500	521,553	706,071
INCOME (LOSS) BEFORE TRANSFERS	(47,100)	(52,134)	141,444	(46,224)
<b>TRANSFERS</b>				
Transfers in	61,000	61,000	-	20,012
Total transfers	61,000	61,000	-	20,012
CHANGE IN NET POSITION	<u>\$ 13,900</u>	<u>\$ 8,866</u>	141,444	(26,212)
NET POSITION, JANUARY 1			2,361,175	2,387,387
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 2,502,619</u>	<u>\$ 2,361,175</u>

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

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

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, 2020

	<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	\$ 6,291,464	\$ 4,188,579	\$ 5,132,038	\$ 8,283,450	\$ 2,883,758	\$ 26,779,289
Receivables						
Accrued interest	-	-	-	-	-	-
Other	-	65,915	197,744	-	-	263,659
Prepaid items	7,708	-	-	30,741	-	38,449
Inventory	-	-	-	226,233	-	226,233
<b>Total current assets</b>	<b>6,299,172</b>	<b>4,254,494</b>	<b>5,329,782</b>	<b>8,540,424</b>	<b>2,883,758</b>	<b>27,307,630</b>
<b>CAPITAL ASSETS</b>						
Depreciable capital assets	-	-	-	22,344,567	66,335	22,410,902
Accumulated depreciation	-	-	-	(14,402,470)	(32,460)	(14,434,930)
<b>Net capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,942,097</b>	<b>33,875</b>	<b>7,975,972</b>
<b>Total assets</b>	<b>6,299,172</b>	<b>4,254,494</b>	<b>5,329,782</b>	<b>16,482,521</b>	<b>2,917,633</b>	<b>35,283,602</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
OPEB items	43,682	-	3,968	27,772	24,870	100,292
<b>Total deferred outflows of resources</b>	<b>43,682</b>	<b>-</b>	<b>3,968</b>	<b>27,772</b>	<b>24,870</b>	<b>100,292</b>
<b>Total assets and deferred outflows of resources</b>	<b>6,342,854</b>	<b>4,254,494</b>	<b>5,333,750</b>	<b>16,510,293</b>	<b>2,942,503</b>	<b>35,383,894</b>

(This statement is continued on the following page.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION (Continued)

December 31, 2020

	<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	\$ 309,864	\$ 6,996	\$ 303,928	\$ 33,851	\$ 50,510	\$ 705,149
Accrued payroll	2,052	-	1,849	23,452	11,122	38,475
Claims payable	1,500,311	35,846	226,488	-	-	1,762,645
Unearned revenue	-	65,915	197,744	-	-	263,659
Compensated absences payable	1,486	-	2,392	18,982	10,201	33,061
Total OPEB liability	2,020	-	217	6,032	1,056	9,325
Total current liabilities	1,815,733	108,757	732,618	82,317	72,889	2,812,314
<b>LONG-TERM LIABILITIES</b>						
Compensated absences payable	5,942	-	11,052	77,415	42,291	136,700
Total OPEB liability	46,708	-	5,028	139,446	24,409	215,591
Total long-term liabilities	52,650	-	16,080	216,861	66,700	352,291
Total liabilities	1,868,383	108,757	748,698	299,178	139,589	3,164,605
<b>DEFERRED INFLOWS OF RESOURCES</b>						
OPEB items	145	-	3,374	16,363	28,445	48,327
Total deferred inflows of resources	145	-	3,374	16,363	28,445	48,327
Total liabilities and deferred inflows of resources	1,868,528	108,757	752,072	315,541	168,034	3,212,932
<b>NET POSITION</b>						
Net investment in capital assets	-	-	-	7,942,097	33,875	7,975,972
Unrestricted	4,474,326	4,145,737	4,581,678	8,252,655	2,740,594	24,194,990
<b>TOTAL NET POSITION</b>	<u>\$ 4,474,326</u>	<u>\$ 4,145,737</u>	<u>\$ 4,581,678</u>	<u>\$ 16,194,752</u>	<u>\$ 2,774,469</u>	<u>\$ 32,170,962</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, 2020

	<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	\$ 10,465,408	\$ 843,400	\$ 2,157,000	\$ 3,528,700	\$ 1,858,700	\$ 18,853,208
Contributions	2,299,246	-	-	-	-	2,299,246
Fines	-	-	-	22,244	-	22,244
Miscellaneous	-	-	-	205,795	-	205,795
Total operating revenues	12,764,654	843,400	2,157,000	3,756,739	1,858,700	21,380,493
<b>OPERATING EXPENSES</b>						
Personal services	154,208	-	145,792	1,578,629	821,109	2,699,738
Contractual services	5,239,237	368,647	1,091,113	219,970	594,556	7,513,523
Commodities	367	-	330	289,809	69,479	359,985
Insurance claims	6,532,372	95,774	836,646	-	-	7,464,792
Supplies	-	-	-	-	263,420	263,420
Total operating expenses	11,926,184	464,421	2,073,881	2,088,408	1,748,564	18,301,458
<b>OPERATING INCOME BEFORE DEPRECIATION</b>	838,470	378,979	83,119	1,668,331	110,136	3,079,035
Depreciation	-	-	-	1,504,331	6,633	1,510,964
<b>OPERATING INCOME</b>	838,470	378,979	83,119	164,000	103,503	1,568,071
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	31,042	19,295	19,188	39,739	14,786	124,050
Loss on disposal of capital assets	-	-	-	(54,580)	-	(54,580)
Other income	123,921	21,671	133,965	33	-	279,590
Total nonoperating revenues (expenses)	154,963	40,966	153,153	(14,808)	14,786	349,060
<b>INCOME BEFORE TRANSFERS</b>	993,433	419,945	236,272	149,192	118,289	1,917,131

(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, 2020

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Total
<b>TRANSFERS</b>						
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers (out)	-	-	-	-	-	-
Total transfers	-	-	-	-	-	-
CHANGE IN NET POSITION	993,433	419,945	236,272	149,192	118,289	1,917,131
NET POSITION, JANUARY 1	3,480,893	3,725,792	4,345,406	16,045,560	2,656,180	30,253,831
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 4,474,326</b>	<b>\$ 4,145,737</b>	<b>\$ 4,581,678</b>	<b>\$ 16,194,752</b>	<b>\$ 2,774,469</b>	<b>\$ 32,170,962</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, 2020

	<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>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 2,423,167	\$ -	\$ -	\$ -	\$ -	\$ 2,423,167
Receipts from interfund services	10,465,408	899,583	2,394,500	3,756,772	1,858,700	19,374,963
Payments to suppliers	(11,555,404)	(571,961)	(2,045,494)	(1,026,507)	(936,771)	(16,136,137)
Payments to employees	(149,937)	-	(147,550)	(1,576,846)	(824,015)	(2,698,348)
Net cash from operating activities	1,183,234	327,622	201,456	1,153,419	97,914	2,963,645
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
None	-	-	-	-	-	-
Net cash from noncapital financing activities	-	-	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital assets purchased	-	-	-	(1,077,885)	-	(1,077,885)
Net cash from capital and related financing activities	-	-	-	(1,077,885)	-	(1,077,885)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	57,029	38,727	43,512	81,055	28,802	249,125
Net cash from investing activities	57,029	38,727	43,512	81,055	28,802	249,125
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,240,263	366,349	244,968	156,589	126,716	2,134,885
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	5,051,201	3,822,230	4,887,070	8,126,861	2,757,042	24,644,404
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 6,291,464	\$ 4,188,579	\$ 5,132,038	\$ 8,283,450	\$ 2,883,758	\$ 26,779,289

(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, 2020

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Fleet Operations	Technology	Total
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating income	\$ 838,470	\$ 378,979	\$ 83,119	\$ 164,000	\$ 103,503	\$ 1,568,071
Depreciation	-	-	-	1,504,331	6,633	1,510,964
Other income	123,921	21,671	133,965	33	-	279,590
Adjustments to reconcile operating income to net cash from operating activities						
Change in assets and liabilities						
Inventories	-	-	-	(70,538)	-	(70,538)
Accounts receivable	-	(34,512)	(101,535)	-	-	(136,047)
Prepaid expenses	324,650	-	-	(24,441)	-	300,209
Accounts payable	(77,542)	(52,274)	(12,348)	(421,749)	(9,316)	(573,229)
Accrued payroll	(1,302)	-	(1,281)	(9,104)	(5,078)	(16,765)
Unearned revenue	-	34,512	103,535	-	-	138,047
Compensated absences payable	2,462	-	1,973	10,092	23,099	37,626
OPEB items	3,111	-	(2,450)	795	(20,927)	(19,471)
Claims payable	(30,536)	(20,754)	(3,522)	-	-	(54,812)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,183,234</b>	<b>\$ 327,622</b>	<b>\$ 201,456</b>	<b>\$ 1,153,419</b>	<b>\$ 97,914</b>	<b>\$ 2,963,645</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,418,200	\$ 10,418,200	\$ 10,465,408	\$ 9,822,435
Contributions	2,213,000	2,213,000	2,299,246	3,121,716
Total operating revenues	12,631,200	12,631,200	12,764,654	12,944,151
<b>OPERATING EXPENSES</b>				
Personal services	536,500	536,500	154,208	146,902
Contractual services	5,211,600	5,211,600	5,239,237	4,745,656
Commodities	500	500	367	498
Insurance claims	7,149,800	7,149,800	6,532,372	8,141,729
Total operating expenses	12,898,400	12,898,400	11,926,184	13,034,785
OPERATING INCOME (LOSS)	(267,200)	(267,200)	838,470	(90,634)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	26,000	26,000	31,042	88,184
Other income	-	-	123,921	133,150
Total non-operating revenues (expenses)	26,000	26,000	154,963	221,334
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(241,200)	(241,200)	993,433	130,700
<b>TRANSFERS</b>				
Transfers in	-	-	-	316,133
Transfers (out)	-	-	-	(316,133)
Total transfers	-	-	-	-
CHANGE IN NET POSITION	<u>\$ (241,200)</u>	<u>\$ (241,200)</u>	993,433	130,700
NET POSITION, JANUARY 1			3,480,893	3,350,193
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 4,474,326</u>	<u>\$ 3,480,893</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 843,400	\$ 843,400	\$ 843,400	\$ 834,900
Total operating revenues	843,400	843,400	843,400	834,900
<b>OPERATING EXPENSES</b>				
Contractual services	358,000	358,000	368,647	319,015
Insurance claims	500,000	500,000	95,774	219,480
Total operating expenses	858,000	858,000	464,421	538,495
OPERATING INCOME (LOSS)	(14,600)	(14,600)	378,979	296,405
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	24,000	24,000	19,295	80,827
Other	-	-	21,671	79,490
Total non-operating revenues (expenses)	24,000	24,000	40,966	160,317
CHANGE IN NET POSITION	<u>\$ 9,400</u>	<u>\$ 9,400</u>	419,945	456,722
NET POSITION, JANUARY 1			3,725,792	3,269,070
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 4,145,737</u>	<u>\$ 3,725,792</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,157,000	\$ 2,157,000	\$ 2,157,000	\$ 2,114,700
Workers' compensation reimbursements	-	-	-	-
Total operating revenues	2,157,000	2,157,000	2,157,000	2,114,700
<b>OPERATING EXPENSES</b>				
Personal services	160,200	160,200	145,792	130,491
Contractual services	1,111,600	1,111,600	1,091,113	985,372
Commodities	1,600	1,600	330	929
Insurance claims	1,485,000	1,485,000	836,646	1,104,374
Total operating expenses	2,758,400	2,758,400	2,073,881	2,221,166
OPERATING INCOME (LOSS)	(601,400)	(601,400)	83,119	(106,466)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	39,000	39,000	19,188	97,935
Other	-	-	133,965	56,260
Total non-operating revenues (expenses)	39,000	39,000	153,153	154,195
CHANGE IN NET POSITION	<u>\$ (562,400)</u>	<u>\$ (562,400)</u>	236,272	47,729
NET POSITION, JANUARY 1			4,345,406	4,297,677
NET POSITION, DECEMBER 31			<u>\$ 4,581,678</u>	<u>\$ 4,345,406</u>

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,543,700	\$ 3,543,700	\$ 3,528,700	\$ 3,677,366
Fines	20,000	20,000	22,244	27,127
Miscellaneous	130,000	130,000	205,795	200,580
Total operating revenues	3,693,700	3,693,700	3,756,739	3,905,073
<b>OPERATING EXPENSES</b>				
Personal services	1,606,900	1,606,900	1,578,629	1,449,850
Contractual services	372,500	386,100	219,970	350,798
Commodities	391,900	391,900	289,809	394,051
Capital outlay	1,572,500	3,482,479	-	-
Total operating expenses	3,943,800	5,867,379	2,088,408	2,194,699
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION</b>	(250,100)	(2,173,679)	1,668,331	1,710,374
Depreciation	-	-	1,504,331	1,490,156
<b>OPERATING INCOME (LOSS)</b>	(250,100)	(2,173,679)	164,000	220,218
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	54,000	54,000	39,739	178,515
Loss on disposal of capital assets	-	-	(54,580)	-
Other income	-	-	33	7,773
Total non-operating revenues (expenses)	54,000	54,000	(14,808)	186,288
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	(196,100)	(2,119,679)	149,192	406,506
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<u>\$ (196,100)</u>	<u>\$ (2,119,679)</u>	149,192	406,506
<b>NET POSITION, JANUARY 1</b>			16,045,560	15,639,054
<b>NET POSITION, DECEMBER 31</b>			<u>\$ 16,194,752</u>	<u>\$ 16,045,560</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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,884,600	\$ 1,884,600	\$ 1,858,700	\$ 1,694,600
Total operating revenues	1,884,600	1,884,600	1,858,700	1,694,600
<b>OPERATING EXPENSES</b>				
Operations				
Personal services	878,400	878,400	821,109	676,858
Contractual services	700,000	705,140	594,556	603,094
Commodities	70,400	70,400	69,479	61,161
Capital outlay	841,800	841,800	263,420	168,863
Depreciation	-	-	6,633	6,633
Total operating expenses	2,490,600	2,495,740	1,755,197	1,516,609
OPERATING INCOME (LOSS)	(606,000)	(611,140)	103,503	177,991
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	6,000	6,000	14,786	60,404
Other income	-	-	-	4,236
Total non-operating revenues (expenses)	6,000	6,000	14,786	64,640
CHANGE IN NET POSITION	\$ (600,000)	\$ (605,140)	118,289	242,631
NET POSITION, JANUARY 1			2,656,180	2,413,549
<b>NET POSITION, DECEMBER 31</b>			<b>\$ 2,774,469</b>	<b>\$ 2,656,180</b>

(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, 2020

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,466,590	\$ 6,764,029	\$ 16,230,619
Investments			
U.S. Government and agency obligations	22,776,527	18,281,134	41,057,661
Equity securities	31,696,571	73,829,275	105,525,846
REIT	-	15,333,187	15,333,187
Mutual funds	75,265,430	-	75,265,430
Corporate bonds	21,715,308	21,042,420	42,757,728
Municipal bonds	2,040,322	715,733	2,756,055
Receivables			
Accrued interest	233,348	233,033	466,381
Other	39,245	-	39,245
Total assets	163,233,341	136,198,811	299,432,152
<b>LIABILITIES</b>			
Accounts payable	41,162	-	41,162
Deferred revenue	32,500	-	32,500
Total liabilities	73,662	-	73,662
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 163,159,679</b>	<b>\$ 136,198,811</b>	<b>\$ 299,358,490</b>

(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, 2020

	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 4,209,000	\$ 5,130,000	\$ 9,339,000
Participants	1,210,559	1,141,126	2,351,685
Other	748	6,208	6,956
Total contributions	5,420,307	6,277,334	11,697,641
Investment income			
Net appreciation in fair value of investments	15,920,824	11,745,221	27,666,045
Interest income	2,738,213	2,155,407	4,893,620
Subtotal	18,659,037	13,900,628	32,559,665
Less investment expense	(292,518)	(216,909)	(509,427)
Net investment income	18,366,519	13,683,719	32,050,238
Total additions	23,786,826	19,961,053	43,747,879
<b>DEDUCTIONS</b>			
Administrative	53,509	28,116	81,625
Pension benefits and refunds	8,919,945	7,617,823	16,537,768
Total deductions	8,973,454	7,645,939	16,619,393
NET INCREASE	14,813,372	12,315,114	27,128,486
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
January 1	148,346,307	123,883,697	272,230,004
December 31	\$ 163,159,679	\$ 136,198,811	\$ 299,358,490

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,209,000	\$ 4,209,000	\$ 4,209,000	\$ 5,267,000
Plan members	1,160,000	1,160,000	1,210,559	1,304,981
Other	-	-	748	5,650
Total contributions	5,369,000	5,369,000	5,420,307	6,577,631
Investment income				
Net appreciation in fair value of investments	2,000,000	2,000,000	15,920,824	23,962,559
Interest earned	2,300,000	2,300,000	2,738,213	2,509,080
Subtotal	4,300,000	4,300,000	18,659,037	26,471,639
Less investment expense	(360,000)	(360,000)	(292,518)	(367,516)
Net investment income	3,940,000	3,940,000	18,366,519	26,104,123
Total additions	9,309,000	9,309,000	23,786,826	32,681,754
<b>DEDUCTIONS</b>				
Administrative	58,900	58,900	53,509	37,141
Pension benefits and refunds	8,543,800	8,543,800	8,919,945	8,064,669
Total deductions	8,602,700	8,602,700	8,973,454	8,101,810
NET INCREASE	\$ 706,300	\$ 706,300	14,813,372	24,579,944
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
January 1			148,346,307	123,766,363
December 31			\$ 163,159,679	\$ 148,346,307

(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, 2020  
(with comparative actual)

	<b>2020</b>			<b>2019</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 5,130,000	\$ 5,130,000	\$ 5,130,000	\$ 6,203,000
Plan members	1,070,000	1,070,000	1,141,126	1,097,478
Other	-	-	6,208	1,299
Total contributions	6,200,000	6,200,000	6,277,334	7,301,777
Investment income				
Net appreciation in fair value in investments	2,000,000	2,000,000	11,745,221	14,962,233
Interest earned	1,800,000	1,800,000	2,155,407	2,341,241
Subtotal	3,800,000	3,800,000	13,900,628	17,303,474
Less investment expense	(260,000)	(260,000)	(216,909)	(212,818)
Net investment income	3,540,000	3,540,000	13,683,719	17,090,656
Total additions	9,740,000	9,740,000	19,961,053	24,392,433
<b>DEDUCTIONS</b>				
Administrative	57,000	57,000	28,116	28,405
Pension benefits and refunds	7,647,000	7,647,000	7,617,823	7,210,277
Total deductions	7,704,000	7,704,000	7,645,939	7,238,682
NET INCREASE	<u>\$ 2,036,000</u>	<u>\$ 2,036,000</u>	12,315,114	17,153,751
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>				
January 1			123,883,697	106,729,946
December 31			<u>\$ 136,198,811</u>	<u>\$ 123,883,697</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, 2020

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-00-1488	Motor Fuel Tax Program	\$ 2,371,133	\$ -	\$ -	\$ 2,371,133
494-10-0343	State and Community Highway Safety/National Priority Safety Program	-	66,527	-	66,527
546-00-1705	Community-Law Enforcement and Other First Responder Partnership for Deflection & Substance Abuse Disorder Treatment	-	19,001	-	19,001
546-00-1745	Victims of Crime Act (VOCA)	-	71,934	-	71,934
	Other grant programs and activities	-	1,370,032	-	1,370,032
	All other costs not allocated	-	-	95,921,280	95,921,280
	Totals	<u>\$ 2,371,133</u>	<u>\$ 1,527,494</u>	<u>\$ 95,921,280</u>	<u>\$ 99,819,907</u>

(See independent auditor's report.)

## **SUPPLEMENTAL INFORMATION**



**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010**

December 31, 2020

---

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**

<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>
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>\$ 550,000</u>	<u>\$ 26,975</u>	<u>\$ 576,975</u>		<u>\$ 13,488</u>		<u>\$ 13,487</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

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

December 31, 2020

---

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>
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>\$ 3,520,000</u>	<u>\$ 97,900</u>	<u>\$ 3,617,900</u>		<u>\$ 48,950</u>		<u>\$ 48,950</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION BONDS, SERIES 2016**

December 31, 2020

---

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
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>\$ 29,350,000 \$ 9,517,050 \$ 38,867,050</u>				<u>\$ 4,758,525</u>			

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS****LONG-TERM DEBT REQUIREMENTS****GENERAL OBLIGATION BONDS, SERIES 2018**

December 31, 2020

---

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
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>\$ 8,960,000</u>	<u>\$ 3,495,512</u>	<u>\$ 12,455,512</u>		<u>\$ 1,747,761</u>		<u>\$ 1,747,751</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019**

December 31, 2020

---

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
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>\$ 1,630,750</u>	<u>\$ 9,615,750</u>		<u>\$ 815,375</u>		<u>\$ 815,375</u>

(See independent auditor's report.)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS**

**GENERAL OBLIGATION BONDS, SERIES 2020**

December 31, 2020

---

Date of Issue	September 2, 2020
Date of Maturity	December 1, 2030
Authorized Issue	\$11,650,000
Denomination of Bonds	\$5,000
Interest Rates	4%
Paying Agent	UMB Bank, National Association, St. Louis MO
Purpose of Issue	Capital 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
2020	\$ 730,000	\$ 581,206	\$ 1,311,206	2021	\$ 348,206	2021	\$ 233,000
2021	1,085,000	436,800	1,521,800	2022	218,400	2022	218,400
2022	1,130,000	393,400	1,523,400	2023	196,700	2023	196,700
2023	1,175,000	348,200	1,523,200	2024	174,100	2024	174,100
2024	695,000	301,200	996,200	2025	150,600	2025	150,600
2025	670,000	273,400	943,400	2026	136,700	2026	136,700
2026	1,815,000	246,600	2,061,600	2027	123,300	2027	123,300
2027	1,890,000	174,000	2,064,000	2028	87,000	2028	87,000
2028	1,960,000	98,400	2,058,400	2029	49,200	2029	49,200
2029	500,000	20,000	520,000	2030	10,000	2030	10,000
	<u>\$ 11,650,000</u>	<u>\$ 2,873,206</u>	<u>\$ 14,523,206</u>		<u>\$ 1,494,206</u>		<u>\$ 1,379,000</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>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 116,954,018	\$ 121,113,330	\$ 127,435,505	\$ 126,928,744
Restricted	16,263,555	17,517,983	16,796,342	23,943,432
Unrestricted	41,494,128	44,224,002	45,211,400	44,627,697
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 174,711,701</b>	<b>\$ 182,855,315</b>	<b>\$ 189,443,247</b>	<b>\$ 195,499,873</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 32,777,835	\$ 31,486,324	\$ 30,288,702	\$ 28,889,101
Restricted	-	-	-	-
Unrestricted	22,739,490	23,159,732	23,285,911	22,803,814
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 55,517,325</b>	<b>\$ 54,646,056</b>	<b>\$ 53,574,613</b>	<b>\$ 51,692,915</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets***	\$ 149,731,853	\$ 152,599,654	\$ 157,724,207	\$ 155,817,845
Restricted	16,263,555	17,517,983	16,796,342	23,943,432
Unrestricted	64,233,618	67,383,734	68,497,311	67,431,511
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 230,229,026</b>	<b>\$ 237,501,371</b>	<b>\$ 243,017,860</b>	<b>\$ 247,192,788</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.

\*General Obligation Bonds Series 2020 were issued as governmental activities debt to fund capital asset acquisitions for the business-type activities. Therefore, the total column includes the outstanding balance for these bonds (including unamortized premium and unspent proceeds), while the governmental activities column does not include these amounts in the calculation of the net investment in capital assets.

Data Source

Audited Financial Statements



12/31/2015*	12/31/2016	12/31/2017	12/31/2018**	12/31/2019	12/31/2020
\$ 134,100,576	\$ 142,096,216	\$ 149,053,177	\$ 152,560,713	\$ 155,122,107	\$ 154,273,910
21,979,506	18,509,205	24,218,253	28,327,246	35,183,379	34,208,521
(41,302,760)	(39,209,690)	(44,770,477)	(59,581,979)	(56,415,754)	(40,467,843)
\$ 114,777,322	\$ 121,395,731	\$ 128,500,953	\$ 121,305,980	\$ 133,889,732	\$ 148,014,588
\$ 27,613,381	\$ 26,986,838	\$ 27,007,689	\$ 26,289,779	\$ 29,772,932	\$ 32,517,538
-	-	-	-	-	-
22,200,989	19,093,045	20,027,518	21,386,688	19,819,331	28,575,496
\$ 49,814,370	\$ 46,079,883	\$ 47,035,207	\$ 47,676,467	\$ 49,592,263	\$ 61,093,034
\$ 161,713,957	\$ 169,083,054	\$ 176,060,866	\$ 178,850,492	\$ 184,895,039	\$ 183,169,408
21,979,506	18,509,205	24,218,253	28,327,246	35,183,379	34,208,521
(19,101,771)	(20,116,645)	(24,742,959)	(38,195,291)	(36,596,423)	(8,270,307)
\$ 164,591,692	\$ 167,475,614	\$ 175,536,160	\$ 168,982,447	\$ 183,481,995	\$ 209,107,622

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 6,257,562	\$ 5,373,174	\$ 5,194,272	\$ 6,959,759
Public safety	41,805,406	43,129,040	43,866,734	44,806,959
Highways and streets	17,923,609	19,692,580	23,532,913	22,995,777
Community development	5,838,531	5,734,706	2,642,799	2,288,259
Health and welfare	1,948,340	2,137,300	5,337,880	5,878,038
Interest	2,514,126	1,896,757	1,563,358	1,532,740
Total governmental activities expenses	76,287,574	77,963,557	82,137,956	84,461,532
Business-type activities				
Water and sewer	14,914,914	15,722,016	15,537,127	16,252,073
Solid waste disposal	1,529,106	1,312,457	1,230,310	1,274,638
Arts, entertainment, and events	819,933	511,705	698,518	991,928
Total business-type activities expenses	17,263,953	17,546,178	17,465,955	18,518,639
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 93,551,527</b>	<b>\$ 95,509,735</b>	<b>\$ 99,603,911</b>	<b>\$ 102,980,171</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 4,582,832	\$ 4,978,268	\$ 4,337,694	\$ 4,129,774
Public safety	2,895,316	2,929,501	3,050,316	3,072,951
Highways and streets	3,017,043	3,016,225	3,253,819	3,213,901
Community development	901,216	1,681,786	31,751	43,722
Health and welfare	42,754	44,896	1,375,624	1,474,210
Operating grants and contributions	2,638,083	2,953,559	2,787,401	4,662,077
Capital grants and contributions	574,058	1,821,768	1,501,300	133,187
Total governmental activities program revenues	14,651,302	17,426,003	16,337,905	16,729,822
Business-type activities				
Charges for services				
Water and sewer	12,960,678	14,344,566	14,232,051	14,125,562
Solid waste disposal	1,701,884	1,593,605	1,575,908	1,759,911
Art, entertainment, and events	132,209	74,611	149,351	54,851
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	14,794,771	16,012,782	15,957,310	15,940,324
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 29,446,073</b>	<b>\$ 33,438,785</b>	<b>\$ 32,295,215</b>	<b>\$ 32,670,146</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (61,636,272)	\$ (60,537,554)	\$ (65,800,051)	\$ (67,731,710)
Business-type activities	(2,469,182)	(1,533,396)	(1,508,645)	(2,578,315)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (64,105,454)</b>	<b>\$ (62,070,950)</b>	<b>\$ (67,308,696)</b>	<b>\$ (70,310,025)</b>

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
\$ 5,640,281	\$ 3,445,379	\$ 5,608,591	\$ 6,495,468	\$ 5,364,493	\$ 3,600,858
42,999,869	48,437,685	46,568,027	49,573,397	49,917,159	42,532,970
11,731,508	20,548,648	19,554,637	25,126,598	25,021,840	22,991,086
2,951,484	7,143,680	8,003,031	2,312,172	5,212,443	5,156,663
4,396,910	3,130,134	4,031,072	7,010,034	2,424,569	2,265,578
888,689	2,097,362	1,971,409	1,881,323	2,366,030	1,887,498
68,608,741	84,802,888	85,736,767	92,398,992	90,306,534	78,434,653
12,744,878	21,138,874	18,016,038	18,246,576	17,931,202	19,409,330
961,329	1,117,379	1,283,229	1,468,304	1,577,690	1,522,125
570,146	752,236	876,108	820,253	887,553	453,799
14,276,353	23,008,489	20,175,375	20,535,133	20,396,445	21,385,254
\$ 82,885,094	\$ 107,811,377	\$ 105,912,142	\$ 112,934,125	\$ 110,702,979	\$ 99,819,907
\$ 3,105,322	\$ 4,637,586	\$ 4,356,699	\$ 4,649,160	\$ 6,347,691	\$ 4,912,266
2,088,265	2,979,377	2,963,757	3,760,239	3,985,006	3,456,755
2,322,624	3,218,925	3,885,739	5,238,289	1,397,660	941,971
22,680	1,592,920	1,575,254	16,692	2,056,866	1,918,652
1,055,370	22,905	21,214	1,479,730	42,343	37,889
1,834,378	-	2,605,115	2,757,894	3,340,537	5,854,802
-	2,464,157	875,699	297,950	1,970,000	-
10,428,639	14,915,870	16,283,477	18,199,954	19,140,103	17,122,335
10,323,750	17,256,513	18,858,921	18,967,266	19,259,539	20,769,646
1,310,604	1,676,467	1,946,842	1,892,921	1,965,249	1,915,616
85,288	130,121	126,166	131,426	135,258	73,690
-	-	-	-	-	-
11,719,642	19,063,101	20,931,929	20,991,613	21,360,046	22,758,952
\$ 22,148,281	\$ 33,978,971	\$ 37,215,406	\$ 39,191,567	\$ 40,500,149	\$ 39,881,287
\$ (58,180,102)	\$ (69,887,018)	\$ (69,453,290)	\$ (74,199,038)	\$ (71,166,431)	\$ (61,312,318)
(2,556,711)	(3,945,388)	756,554	456,480	963,601	1,373,698
\$ (60,736,813)	\$ (73,832,406)	\$ (68,696,736)	\$ (73,742,558)	\$ (70,202,830)	\$ (59,938,620)

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 30,715,129	\$ 30,390,556	\$ 30,637,670	\$ 31,550,695
Utility	5,265,951	5,568,711	5,805,227	5,499,718
Home rule sales	6,897,071	6,582,209	7,033,558	7,310,625
Food and beverage	1,750,023	1,843,337	1,881,211	2,003,859
Hotel	885,190	959,547	968,827	1,032,228
Telecommunications	4,269,272	3,606,605	3,244,472	3,199,974
Foreign fire insurance	123,597	129,456	146,650	134,186
Other	40,782	57,439	313,140	320,071
Intergovernmental				
Sales	10,519,988	10,333,345	11,488,156	12,060,996
Use	1,101,284	1,190,737	1,340,067	1,520,258
Replacement	410,962	415,244	466,766	454,992
Shared income tax	6,135,155	6,768,141	7,318,303	7,354,986
Investment earnings	217,990	201,421	285,637	246,993
Miscellaneous	886,473	634,380	1,458,299	1,098,755
Transfers	(300,000)	-	-	-
Total governmental activities	68,918,867	68,681,128	72,387,983	73,788,336
Business-type activities				
Investment earnings	27,741	23,362	22,143	20,818
Food and beverage	433,045	460,424	470,918	498,638
Miscellaneous	320,267	178,341	(55,859)	177,461
Transfers	300,000	-	-	-
Total business-type activities	1,081,053	662,127	437,202	696,917
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 69,999,920</b>	<b>\$ 69,343,255</b>	<b>\$ 72,825,185</b>	<b>\$ 74,485,253</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 7,282,595	\$ 8,143,574	\$ 6,587,932	\$ 6,056,626
Business-type activities	(1,388,129)	(871,269)	(1,071,443)	(1,881,398)
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET POSITION</b>	<b>\$ 5,894,466</b>	<b>\$ 7,272,305</b>	<b>\$ 5,516,489</b>	<b>\$ 4,175,228</b>

Data Source

Audited Financial Statements

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
\$ 31,960,632	\$ 33,774,122	\$ 35,031,674	\$ 36,975,524	\$ 37,873,650	\$ 39,097,436
2,827,748	5,195,181	4,988,209	5,417,711	5,220,745	4,892,355
5,097,810	6,999,693	6,667,772	7,155,629	7,201,491	6,206,316
1,437,299	1,944,185	1,970,860	2,076,857	2,079,454	1,577,787
777,052	1,096,755	1,043,795	1,078,944	1,109,349	408,888
2,037,305	3,116,898	2,586,731	2,437,145	2,356,604	1,868,788
137,450	129,877	131,628	129,452	134,895	151,399
286,444	335,157	297,053	304,679	61,304	20,109
8,423,387	12,377,718	12,064,683	12,927,772	12,914,676	12,480,915
1,147,270	1,807,251	2,027,665	2,027,665	2,488,121	3,290,912
283,613	430,829	464,689	422,905	523,154	470,094
5,254,518	7,310,634	6,897,965	7,192,128	7,993,678	8,161,144
121,491	435,523	828,070	1,616,187	1,720,017	410,745
837,890	1,051,604	1,057,718	2,006,603	1,638,848	4,116,654
-	500,000	500,000	479,988	434,197	(8,545,232)
60,629,909	76,505,427	76,558,512	82,249,189	83,750,183	74,608,310
9,806	21,865	41,816	93,529	139,045	25,914
367,339	649,046	656,954	692,286	693,535	519,327
300,721	39,990	-	499,882	553,812	794,733
-	(500,000)	(500,000)	(479,988)	(434,197)	8,545,232
677,866	210,901	198,770	805,709	952,195	9,885,206
\$ 61,307,775	\$ 76,716,328	\$ 76,757,282	\$ 83,054,898	\$ 84,702,378	\$ 84,493,516
\$ 2,449,807	\$ 6,618,409	\$ 7,105,222	\$ 8,050,151	\$ 12,583,752	\$ 13,295,992
(1,878,845)	(3,734,487)	955,324	1,262,189	1,915,796	11,258,904
\$ 570,962	\$ 2,883,922	\$ 8,060,546	\$ 9,312,340	\$ 14,499,548	\$ 24,554,896

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2012*</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>
<b>GENERAL FUND</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	121,491	208,379	317,836	189,328
Unrestricted				
Assigned	600,699	592,930	749,295	874,315
Unassigned	22,321,417	22,321,417	22,942,073	23,252,947
<b>TOTAL GENERAL FUND</b>	<b>\$ 23,043,607</b>	<b>\$ 23,122,726</b>	<b>\$ 24,009,204</b>	<b>\$ 24,316,590</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Nonspendable	-	257,979	438,742	399,794
Restricted	16,263,555	17,517,983	17,361,269	24,540,110
Unrestricted				
Assigned	8,191,945	10,156,751	9,352,188	10,270,809
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 24,455,500</b>	<b>\$ 27,932,713</b>	<b>\$ 27,152,199</b>	<b>\$ 35,210,713</b>

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

Data Source

Audited Financial Statements

12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
172,973	192,691	117,663	345,557	285,700	178,689
817,143	844,034	1,524,370	1,205,581	808,622	678,329
27,536,053	30,271,109	29,005,220	29,154,102	29,784,407	28,888,256
<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>	<u>\$ 29,745,274</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
370,479	232,130	178,480	46,394	20,075	64,243
22,074,564	18,683,413	24,378,960	37,423,894	38,005,083	47,908,521
13,329,568	13,329,568	31,177,516	8,418,536	5,486,796	6,671,873
<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>	<u>\$ 54,644,637</u>

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>4/30/2012</b>	<b>4/30/2013</b>	<b>4/30/2014</b>	<b>4/30/2015</b>
<b>REVENUES</b>				
Taxes	\$ 61,855,652	\$ 60,947,768	\$ 49,884,105	\$ 50,917,170
Intergovernmental	8,297,534	9,428,030	20,686,642	21,621,147
Grants and contributions	1,173,358	1,447,303	4,288,701	4,699,535
Charges for services	2,030,165	2,052,554	5,284,463	5,230,607
Licenses and permits	3,618,724	4,289,920	5,989,935	5,862,746
Fines and fees	5,595,692	6,051,687	755,196	804,726
Investment income	217,990	201,421	218,686	182,615
Rents and reimbursables	431,382	436,635	-	-
Miscellaneous	649,662	454,263	1,477,909	1,135,234
<b>Total revenues</b>	<b>83,870,159</b>	<b>85,309,581</b>	<b>88,585,637</b>	<b>90,453,780</b>
<b>EXPENDITURES</b>				
General government	5,890,843	4,698,107	4,277,526	4,636,827
Public safety	40,684,642	42,291,156	43,012,679	44,609,076
Highways and streets	9,250,565	11,089,158	12,460,690	13,140,609
Community development	5,073,806	5,129,100	2,600,895	2,268,019
Health and welfare	1,861,099	2,153,765	5,382,571	5,469,806
Capital outlay	7,053,543	8,358,862	11,467,725	12,133,539
Debt service				
Principal retirement	6,360,000	5,835,000	6,160,000	6,475,000
Interest and fiscal charges	2,199,945	1,739,404	1,624,978	1,442,549
Other charges	147,895	-	-	-
<b>Total expenditures</b>	<b>78,522,338</b>	<b>81,294,552</b>	<b>86,987,064</b>	<b>90,175,425</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>5,347,821</b>	<b>4,015,029</b>	<b>1,598,573</b>	<b>278,355</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	19,595,000	-	7,755,000	7,625,000
Bond premium (discount)	395,279	-	862,170	460,605
Payment to escrow agent	(19,810,106)	-	(8,568,476)	-
Transfers in	2,982,025	5,775,747	3,613,688	9,444,113
Transfers (out)	(3,582,025)	(6,175,747)	5,213,688	(9,444,113)
Proceeds from sale of capital assets	-	-	-	1,940
<b>Total other financing sources (uses)</b>	<b>(419,827)</b>	<b>(400,000)</b>	<b>8,876,070</b>	<b>8,087,545</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 4,927,994</b>	<b>\$ 3,615,029</b>	<b>\$ 10,474,643</b>	<b>\$ 8,365,900</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	10.69%	11.09%	9.32%	9.15%

Data Source

Audited Financial Statements



	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
\$	44,424,290	\$ 52,461,991	\$ 52,586,094	\$ 55,446,489	\$ 56,037,492	\$ 54,223,078
	15,246,238	22,252,920	24,022,799	22,424,922	28,544,577	27,165,106
	1,834,378	2,267,546	985,445	3,055,844	685,589	3,222,027
	3,758,085	5,192,297	5,909,847	8,127,866	3,225,423	2,779,841
	4,317,478	6,529,300	6,211,862	6,382,208	4,834,759	3,372,026
	500,620	710,352	664,035	625,309	5,944,102	5,222,196
	88,530	355,443	689,104	1,312,157	1,720,017	410,745
	-	-	-	-	-	-
	855,968	1,071,368	1,074,637	2,015,330	1,464,130	1,566,432
	71,025,587	90,841,217	92,143,823	99,390,125	102,456,089	97,961,451
	3,219,631	4,680,170	4,471,299	4,552,993	4,946,789	5,084,688
	33,515,656	46,071,577	46,398,789	50,975,181	52,144,753	50,011,598
	8,854,213	13,114,009	12,623,702	13,500,715	13,962,880	13,322,453
	1,577,298	5,955,261	7,974,896	2,186,836	4,686,797	4,941,849
	3,951,512	2,331,430	2,280,772	6,610,045	2,228,965	2,277,085
	7,277,852	14,224,083	19,935,951	34,512,902	19,259,834	8,974,970
	6,455,000	5,215,000	4,995,000	5,240,000	5,650,000	5,690,000
	1,400,954	2,459,907	2,094,718	2,078,904	2,110,912	1,977,545
	-	-	-	-	110,752	154,600
	66,252,116	94,051,437	100,775,127	119,657,576	105,101,682	92,434,788
	4,773,471	(3,210,220)	(8,631,304)	(20,267,451)	(2,645,593)	5,526,663
	-	32,900,000	-	9,530,000	7,985,000	11,650,000
	-	2,022,953	-	469,318	1,516,526	2,209,497
	-	-	-	-	(9,493,511)	-
	6,755,513	915,000	6,898,372	1,711,000	2,924,649	1,383,100
	(6,755,513)	(415,000)	(8,398,372)	(1,231,012)	(2,490,452)	(9,928,332)
	-	-	-	-	-	-
	-	35,422,953	(1,500,000)	10,479,306	442,212	5,314,265
\$	4,773,471	\$ 32,212,733	\$ (10,131,304)	\$ (9,788,145)	\$ (2,203,381)	\$ 10,840,928
	9.15%	12.58%	8.81%	8.09%	7.93%	9.03%

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**POLICE PENSION FUND  
TAX LEVIES AND CONTRIBUTIONS**

Last Ten Levy Years

<b>Levy Year</b>	<b>Annual Actuarial Requirement from Actuary</b>	<b>Actual Amount Levied</b>	<b>Percentage of Annual Required Contribution from Actuary</b>	<b>Recognized for Annual Required Contribution from Actuary</b>	<b>Actual Revenue Recognized in Fiscal Year</b>
2009	\$ 3,679,006	\$ 4,038,031	110%	\$ 4,038,031	4/30/2012
2010	4,288,185	4,288,000	100%	4,288,000	4/30/2013
2011	4,136,305	4,330,880	105%	4,330,880	4/30/2014
2012	4,222,683	4,529,400	107%	4,529,400	4/30/2015
2013	4,432,200	4,500,000	102%	4,500,000	12/31/2015*
2014*	2,779,725	4,500,000	162%	4,500,000	2016
2016	3,839,961	3,994,000	104%	3,994,000	2017
2017	3,878,094	3,879,000	100%	3,879,000	2018
		Additional Contribution		<u>1,500,000</u>	
				5,379,000	
2018	4,016,824	4,017,000	100%	4,017,000	2019
		Additional Contribution		<u>1,250,000</u>	
				5,267,000	
2019	4,108,483	4,209,000	102%	4,209,000	2020

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

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**FIREFIGHTERS' PENSION FUND  
TAX LEVIES AND CONTRIBUTIONS**

Last Ten Levy Years

<b>Levy Year</b>	<b>Annual Actuarial Requirement from Actuary</b>	<b>Actual Amount Levied</b>	<b>Percentage of Annual Required Contribution from Actuary</b>	<b>Recognized for Annual Required Contribution from Actuary</b>	<b>Actual Revenue Recognized in Fiscal Year</b>
2009	\$ 4,175,702	\$ 4,470,608	107%	\$ 4,470,608	4/30/2012
2010	4,574,540	4,566,780	100%	4,566,780	4/30/2013
2011	4,588,979	4,701,000	102%	4,701,000	4/30/2014
2012	4,771,232	5,007,300	105%	5,007,300	4/30/2015
2013	5,055,378	5,057,400	100%	5,057,400	12/31/2015*
2014*	3,235,984	5,100,000	158%	5,100,000	2016
2016	4,734,724	4,889,000	103%	4,889,000	2017
2017	4,852,647	4,853,000	100%	4,853,000	2018
		Additional Contribution		<u>1,500,000</u>	
				6,353,000	
2018	4,952,007	4,953,000	100%	4,953,000	2019
		Additional Contribution		<u>1,250,000</u>	
				6,203,000	
2019	5,030,110	5,130,000	102%	5,130,000	2020

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

**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>
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
2019	2,418,574,182	794,052,203	152,530,437	1,510,759	3,366,667,581	10,101,012,844	1.5400

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>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>	<b>2019</b>
Tax rates per \$100 of EAV										
Village direct rates										
Village of Arlington Heights	0.8660	0.9550	1.0620	1.2700	1.2690	1.3590	1.1820	1.2170	1.2650	1.1080
Arlington Heights Memorial Library	0.3880	0.4300	0.4700	0.5480	0.5470	0.5660	0.4830	0.4790	0.4930	0.4320
Total Village direct rate	1.2540	1.3850	1.5320	1.8180	1.8160	1.9250	1.6650	1.6960	1.7580	1.5400
Overlapping rates										
County (including Forest Preserve)	0.4230	0.5200	0.5940	0.6600	0.6370	0.6210	0.5960	0.5580	0.5490	0.5130
Metro Reclamation District	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.9600	0.3890
School District #25	2.8130	3.1010	3.4160	3.6590	3.6780	3.9900	3.4240	3.4880	3.6170	3.2460
School District #214	1.8390	2.0670	2.3240	2.7680	2.7760	2.8810	2.5270	2.5630	2.6690	2.3560
School District #512	0.2950	0.3340	0.3730	0.4440	0.4510	0.4660	0.4190	0.4250	0.4430	0.4030
Park District's	0.4500	0.4960	0.5450	0.6330	0.6360	0.6260	0.4880	0.4940	0.5140	0.4570
Wheeling Township	0.0430	0.0480	0.0520	0.0560	0.0520	0.0550	0.0410	0.0430	0.0430	0.0380
Other	0.0790	0.0590	0.0360	0.0420	0.0420	0.0410	0.0320	0.0340	0.0360	0.0330
Total Tax Rate Per \$100 of EAV	7.4700	8.3300	9.2420	10.4970	10.5180	11.0310	9.5980	9.7030	10.5890	8.9750

Data Source

Cook County Tax Extension Office

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2020 (based on 2019 EAV)			2012 (based on 2010 EAV)		
	Equalized Assessed Value*	Rank	Percentage of Total Village Equalized Assessed Valuation	Equalized Assessed Value	Rank	Percentage of Total Village Equalized Assessed Valuation
Robert F Rohrman	\$ 56,911,314	1	1.690%	\$ 12,742,890	10	0.375%
Luther Village	43,894,479	2	1.304%	40,052,410	1	1.178%
E Property Tax Ridge Plaza	35,836,890	3	1.064%	14,285,905	9	0.420%
Arlington Park Racetrack	33,432,594	4	0.993%	32,498,617	3	0.956%
RMR Group Five Star Senior Living	26,006,310	5	0.772%			
Town and Country Chicago	25,064,667	6	0.744%	24,189,561	4	0.712%
AmCap Northpoint LLC	21,487,500	7	0.638%	22,692,133	6	0.667%
JRK Property Holdings	20,916,630	8	0.621%			
200 Arlington Place	19,200,000	9	0.570%			
Stonebridge Village	18,882,993	10	0.561%	23,256,289	5	0.684%
Nokia Siemens Networks	-	-	-	34,598,662	2	1.018%
Tanglewood Apartments	-	-	-	18,254,884	7	0.537%
First American Prop	-	-	-	16,622,756	8	0.489%
	<u>\$ 301,633,377</u>		<u>8.957%</u>	<u>\$ 239,194,107</u>		<u>7.036%</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
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%
2019	37,535,586	37,163,947	99.01%	-	37,163,947	99.01%

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			Total Primary Government	Percentage of Personal Income	Per Capita
	Activities	Business-Type Activities				
	Gross General Obligation Bonds	Gross General Obligation Bonds	Capital Leases			
4/30/2012	\$ 53,730,000	\$ -	\$ -	\$ 53,730,000	2.69%	\$ 902.10
4/30/2013	48,423,632	-	-	48,423,632	2.50%	838.87
4/30/2014	42,636,145	-	-	42,636,145	3.03%	1,017.57
4/30/2015	43,986,033	-	-	43,986,033	2.84%	953.04
2015*	37,254,248	-	-	37,254,248	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	-	-	65,182,632	1.78%	715.44
2019	59,337,907	-	-	59,337,907	1.58%	790.11
2020	67,132,280	-	-	67,132,280	2.22%	893.89

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

Notes: The Village changed to a December 31 fiscal year-end, effective 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 170 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
4/30/2012	\$ 53,730,000	\$ 1,761,874	\$ -	\$ 51,968,126	0.51%	\$ 691.98
4/30/2013	48,423,632	1,724,730	-	46,698,902	0.50%	621.81
4/30/2014	42,636,145	1,117,003	-	41,519,142	0.48%	552.84
4/30/2015	43,986,033	989,407	-	42,996,626	0.58%	572.52
2015*	37,254,248	1,405,448	-	35,848,800	0.48%	477.34
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	-	63,242,203	0.72%	842.10
2019	59,337,907	2,182,035	-	57,155,872	0.65%	761.05
2020	67,132,280	2,098,100	-	65,034,180	0.64%	865.96

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

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.

(1) See the schedule of Assessed Value and Actual Value of Taxable Property on page 161 for property value data. These ratios are calculated using levy year data.

(2) See the schedule of Demographic and Economic Information on page 170 for population data. These ratios are calculated using calendar year data.

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

December 31, 2020

<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	<u>\$ 67,132,280</u>	100.000%	<u>\$ 67,132,280</u>
Total direct debt	<u>67,132,280</u>		<u>67,132,280</u>
Community College District 512	103,580,000	16.863%	17,466,695
Arlington Heights School District 25	42,710,000	96.769%	41,330,040
Cook County School District 15	35,943,122	3.416%	1,227,817
Cook County School District 21	87,650,000	23.217%	20,349,701
Cook County School District 59	32,355,000	13.615%	4,405,133
Prospect Heights School District 23	8,705,000	35.361%	3,078,175
Arlington Heights School District 214	33,010,000	33.162%	10,946,776
Cook County School District 57	6,450,000	4.485%	289,283
Cook County	2,618,750,000	2.016%	52,794,000
Forest Preserve of Cook County	141,050,000	2.016%	2,843,568
Metropolitan Water Reclamation District of Greater Chicago	2,800,782,000	2.051%	57,444,039
Arlington Heights Park District	23,629,000	96.732%	22,856,804
Buffalo Grove Park District	14,235,000	14.400%	2,049,840
Prospect Heights Park District	7,000,790	5.066%	354,660
Mount Prospect Park District	18,565,668	2.979%	553,071
Palatine Park District	20,335,000	1.133%	230,396
Salt Creek Park District	<u>2,306,000</u>	35.521%	<u>819,114</u>
Total overlapping debt	<u>5,997,056,580</u>		<u>239,039,112</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<u><b>\$ 6,064,188,860</b></u>		<u><b>\$ 306,171,392</b></u>

\*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 2019 Equalized Assessed Valuations.

Data Source

Cook County Tax Extension Office

# **VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

## **LEGAL DEBT MARGIN**

December 31, 2020

---

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		Coverage	Current Special Assessment Billed	Debt Service		Coverage		
				Principal	Interest			Principal	Interest			
4/30/2012	\$ 13,130,609	\$ 13,483,848	\$ (353,239)	\$ -	\$ -	\$ -	\$ 30,651	\$ -	\$ -	\$ -		
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		
2020	20,013,593	17,915,498	2,098,095	-	-	0.00	-	-	-	0.00		

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

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

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

# VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

---

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(1) Personal Income</b>	<b>Per Capita Personal Income</b>	<b>(2) Unemployment Rate</b>
4/30/2012	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% **
2020***	75,101	3,024,842,977	40,277	8.10%

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

\*\*Unemployment rate (not seasonally adjusted) through March 2021

\*\*\*At time of data compilation, 2020 census results were not yet available.

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

### 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	2020			2012		
	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	1,750	4.81%
HSBC	4	1,500	3.46%			
Lutheran Home	5	800	1.85%	5	700	1.92%
Paddock Publications	6	500	1.15%	7	500	1.37%
Alexian Brothers Health System	7	500	1.15%	6	600	1.65%
Clearbrook	8	450	1.04%			
Kroeschell Inc	9	450	1.04%			
Village of Arlington Heights	10	450	1.04%	8	427	1.17%
Nokia Siemens Networks				4	1,267	3.48%
Pace				9	299	0.82%
Webber Marking Systems, Inc				10	256	0.70%
		14,450	33.36%		14,299	39.27%

### 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>4/30/2012</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>2020</b>
<b>GENERAL GOVERNMENT</b>										
Manager's office	6.00	6.00	6.00	5.00	5.00	5.00	5.50	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	17.50	17.50	17.50	18.00	18.00	17.50	17.50	17.50	17.00	17.00
IT	5.00	5.00	5.00	5.00	5.00	5.00	6.00	5.00	5.00	6.00
GIS	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Buildings and grounds	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	30.00	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	2.00	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	10.00	10.00	10.00	10.00	10.00
Building	16.00	16.00	16.00	16.50	16.50	17.00	17.00	17.50	17.50	18.00
<b>HEALTH AND WELFARE</b>										
Health services	9.50	9.50	9.50	9.50	9.50	10.00	10.00	9.50	9.50	9.50
Senior services	3.75	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
<b>HIGHWAYS AND STREETS</b>										
Public works	35.25	42.25	42.25	42.25	42.25	42.25	42.25	41.25	42.25	42.25
Engineering	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00
<b>OTHER PUBLIC WORKS</b>										
Water utility operations	40.25	40.75	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>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>426.25</b>	<b>427.75</b>

\*For the eight months ended December 31, 2015

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

Data Source

Village of Arlington Heights Finance Department

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Fiscal Years

<b>Function/Program</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>2020</b>
<b>PUBLIC SAFETY</b>										
Police										
Service calls	25,425	11,569	23,678	24,148	16,527	25,919	32,732	22,875	21,823	20,084
Total crime reported	3,232	1,111	2,270	2,196	2,019	2,559	2,189	1,937	2,049	1,615
Arrests	1,089	1,006	1,073	921	558	824	657	592	840	558
Citations issued	28,956	15,918	27,584	29,795	19,000	27,935	24,944	23,306	21,423	12,832
Fire										
Service calls (EMS)	6,688	3,283	6,667	6,779	4,648	7,581	7,369	7,515	8,063	7,433
Service calls (non-EMS)	3,349	1,559	3,266	3,286	2,101	2,620	2,676	2,814	2,644	2,256
<b>PUBLIC WORKS</b>										
Snow removal (miles)	51,795	24,843	91,651	52,072	14,727	51,044	18,541	60,762	62,784	13,862
Streets resurfaced (miles)	9.54	1.60	8.10	8.10	7.45	7.08	5.80	6.00	9.73	5.50
<b>WATER</b>										
Water main breaks	363	100	244	157	228	228	240	244	252	163
Sewer repairs	13	5	28	32	60	20	13	12	15	8
Average daily consumption	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	7.33 MGD

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

Note: The Village changed to a December 31 fiscal year-end, effective 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>4/30/2012</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>2020</b>
<b>PUBLIC SAFETY</b>										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Marked police vehicles	45	44	44	44	44	44	44	33	35	35
Unmarked police vehicles	17	17	17	17	18	19	19	29	25	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	5	5	5	5	5	5
Fire ladder trucks	2	2	2	2	2	2	2	2	2	2
Rescue squads	4	4	4	4	5	4	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	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	7	7	8	8	8	8	8	8
<b>PUBLIC WORKS</b>										
Streets (miles)	230	230	230	230	230	241	241	241	241	241
Streetlights	3,212	3,212	3,212	3,865	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	260	260	260	260	260	260	260
Fire hydrants	2,740	2,740	2,740	3,318	3,318	3,318	3,318	3,329	3,318	3,318
Storage capacity (gallons)	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	31,000,000
<b>WASTEWATER</b>										
Sanitary sewers (miles)	227	227	227	255	255	255	261	255	265	265
Storm sewers (miles)	163	163	163	213	213	213	228	213	236	236

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

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

Data Source

Various Village Departments