

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended December 31, 2021



VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Year Ended
December 31, 2021

Prepared by the Finance Department

Thomas F. Kuehne, Finance Director/Treasurer
Mary Juarez, Assistant Finance Director
Alexis Smulson, Accounting Manager
Kevin Baumgartner, Budget Coordinator/Accountant

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
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
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-4
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-13
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>
FINANCIAL SECTION (Continued)	
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)	
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
Schedule of the Village's Proportionate Share of the Net Pension Liability	
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
TIF IV Fund.....	109
TIF V Fund	110
Hickory Kensington TIF Fund	111
South Arlington Heights Road TIF Fund	112
Municipal Parking Operations Fund	113
Stormwater Control Fund	114
Public Building Fund.....	115

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

Page(s)

FINANCIAL SECTION (Continued)

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

PROPRIETARY FUNDS

Water and Sewerage Fund	
Statement of Net Position	116-117
Schedule of Revenues, Expenses, and Changes in Net Position -	
Budget and Actual	118
Schedule of Operating Expenses - Budget and Actual	119-121

NONMAJOR ENTERPRISE FUNDS

Combining Statement of Net Position	122
Combining Statement of Revenues, Expenses, and	
Changes in Net Position	123
Combining Statement of Cash Flows	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
Technology Fund	136
Fleet Operations Fund	137
Schedule of Operating Expenses - Budget and Actual	
Fleet Operations Fund	138-139

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

Page(s)

FINANCIAL SECTION (Continued)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Combining Statement of Fiduciary Net Position	140
Combining Statement of Changes in Fiduciary Net Position	141
Schedule of Changes in Fiduciary Net Position - Budget and Actual - Police Pension Fund	142
Firefighters' Pension Fund	143

CONSOLIDATED YEAR END FINANCIAL REPORT

Consolidated Year End Financial Report.....	144
---	-----

SUPPLEMENTAL INFORMATION

Schedule of Long-Term Debt Requirements	
General Obligation Refunding Bonds, Series 2010	145
General Obligation Refunding Bonds, Series 2012A	146
General Obligation Bonds, Series 2016	147
General Obligation Bonds, Series 2018	148
General Obligation Refunding Bonds, Series 2019	149
General Obligation Bonds, Series 2020	150

STATISTICAL SECTION

Financial Trends	
Net Position by Component	151-152
Change in Net Position.....	153-156
Fund Balances of Governmental Funds	157-158
Changes in Fund Balances of Governmental Funds	159-160
Police Pension Fund Tax Levies and Contributions	161
Firefighters' Pension Fund Tax Levies and Contributions	162
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property	163
Direct and Overlapping Property Tax Rates	164
Principal Property Taxpayers	165
Property Tax Levies and Collections	166

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

Page(s)

STATISTICAL SECTION (Continued)

Debt Capacity	
Ratios of Outstanding Debt by Type.....	167
Ratios of General Bonded Debt Outstanding.....	168
Direct and Overlapping Governmental Activities Debt.....	169
Legal Debt Margin	170
Demographic and Economic Information	
Demographic and Economic Information.....	171
Principal Employers	172
Operating Information	
Full-Time Equivalent Employees	173
Operating Indicators	174
Capital Asset Statistics	175

INTRODUCTORY SECTION

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL OFFICERS

DECEMBER 31, 2021

VILLAGE BOARD

Thomas W. Hayes, Village President

Richard Baldino

Robin La Bedz

James Bertucci

John Scaletta

Mary Beth Canty

Tom Schwingbeck, Jr.

Nicolle Grasse

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 ChiefAndrew Larson

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

Director of Building Services Jorge Torres

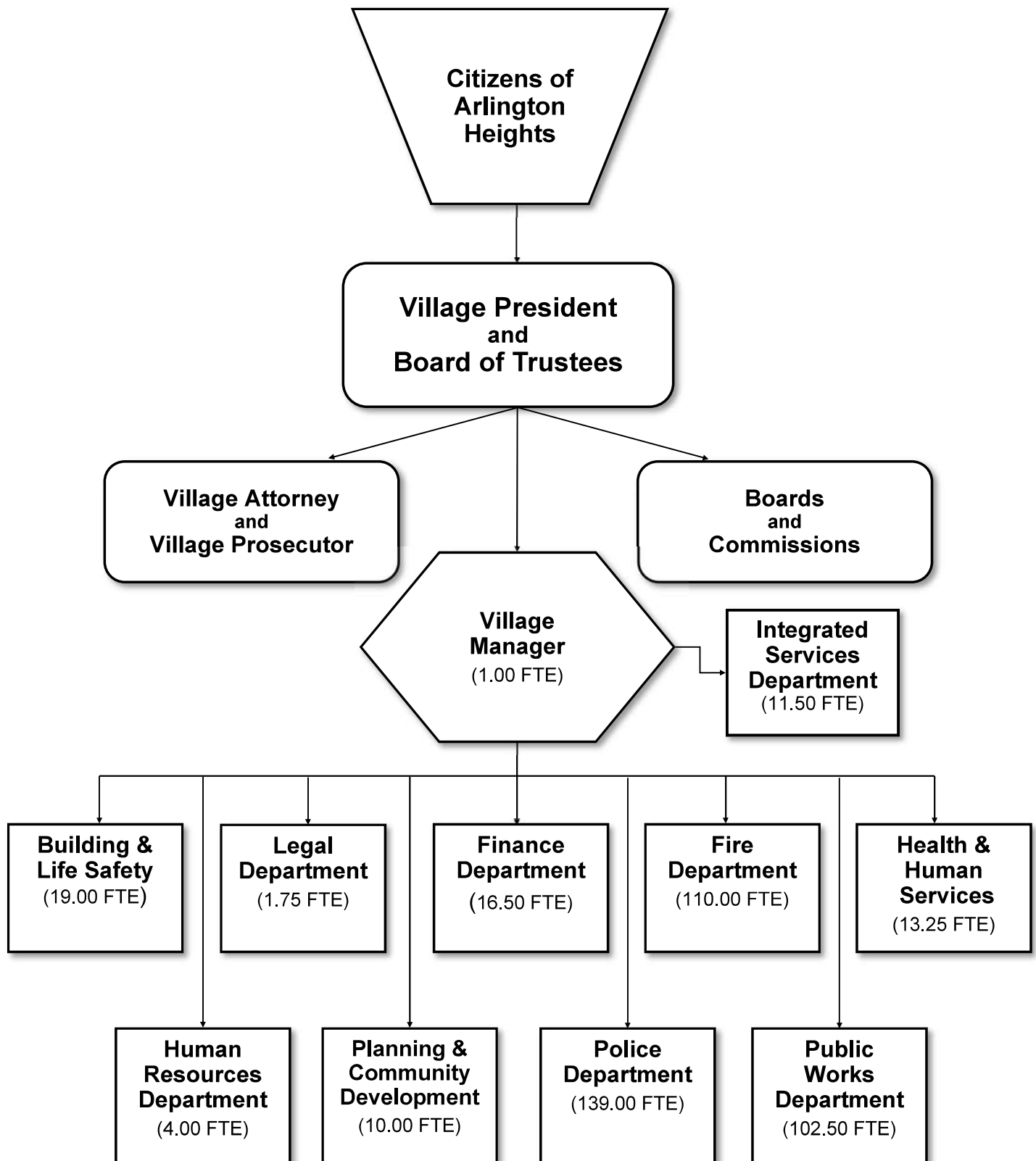
Director of Health and Human ServicesJames McCalister

Public Works DirectorCris Papierniak

VILLAGE OF ARLINGTON HEIGHTS

(428.5 FTE)

ORGANIZATION STRUCTURE





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Arlington Heights
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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

June 13, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the Village of Arlington Heights (Village) for the year ended December 31, 2021, is hereby submitted as required by the Illinois Compiled Statutes. State law requires that the Village issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Arlington Heights for the year ended December 31, 2021, 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, 2021, 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 the 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 2020 Census places the population at 77,676 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 71% residential and 29% commercial and industrial. Due to its healthy local economy, the Village of Arlington Heights has maintained a credit rating of Aa1 from Moody's Investor Service.

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

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

Long-Term Financial Planning and Major Initiatives

Unrestricted fund balance (the total of the assigned and unassigned components of fund balance) in the General Fund at year end was 40.5% 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 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. The Residences at Payton Place, a 263-unit apartment building was completed in 2021. This apartment building was the next phase of the Arlington Downs project. 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 consists of 16 townhouses within three buildings was completed in 2021.

Amazon now occupies the previous site of Nokia. The new facility functions as a package delivery distribution center, which includes an "Amazon Hub" customer service site, and package pick-up and drop-off location for the public. The Hamilton Partners project consists of an industrial building that is completely occupied, and a building under construction to be used entirely by Frito-Lay for warehousing and distribution operations. United Airlines began operation of their control center at the former Motorola Campus. In addition, Driving Mobile Innovation, a logistics and IT procurement operations center is now at a once vacant industrial space. Chez Hotel, a 4-star luxury boutique hotel is under construction along with Hickory-Kensington apartments, a five-story, 76-unit apartment building with first floor commercial space. The departure of the Arlington Race Track will also 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 Chicago Bears football club is working on an agreement to purchase this site from Churchill Downs to potentially be used for the construction of a new indoor stadium, as well as a significant mixed use development.

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.

Part of the Village's economic development program is to provide the opportunity for businesses to apply for the non-residential property tax incentive programs through Cook County. Cook County offers the Class 6b property tax abatement to incentivize re-occupancy of vacant industrial properties. This incentive lasts for 12 years. Businesses applying for a Class 6b tax abatement provide a 10% rebate to the Village of their property tax savings over the first five years of the incentive, in order to fund the Zero Interest Loan program or other economic development activities as approved. Additionally, the application fee (\$1,000) for the Class 6b incentive also goes towards funding the Zero Interest Loan program in order to assist in attracting and retaining other businesses.

In 2021, the Village assisted the buyer of 1400-1500 W. Dundee Road in approving a Class 6b property tax designation. Through this Class 6b, the buyer will be able to redevelop the obsolete Rohrman industrial property, demolishing two vacant buildings and allowing for the construction two new industrial spec buildings totaling approximately 500,000 square feet. The new owner, RPG Acquisitions, estimates redevelopment costs to be around \$40 million. This will allow for the growth of the community's tax base and attraction of new workers and employers to Arlington Heights. Additionally, property tax revenue estimates over the 12-year life of the incentive are anticipated to be around \$21 million, as opposed to just \$9 million if the property were to remain undeveloped.

Cook County also offers the Class 7c property tax abatement to incentivize the re-occupancy or redevelopment of vacant properties. Unlike the industrial focus of the Class 6b program, the 7c incentives are strictly for commercial properties. This incentive lasts for five years, assessing the property at 10% over the first three years, 15% in the fourth year, and 20% in the fifth and final year. Applicants are also allowed up to one renewal. As with the 6b program, municipal approval is initially required, and then final approval goes through Cook County.

In order to enable renovation and reuse of 44 S. Vail Avenue, a vacant office building formerly occupied by AT&T at the southwest corner of Vail and Sigwalt, a Class 7c designation was requested by the new property owner, Ketone Partners. With approval of this incentive by the Village Board, complete interior and exterior improvements have been conducted in order to reoccupy the 57,000 square foot building. It is estimated that approximately 60-80 workers will occupy the building when 100% re-tenanted, helping add to the Downtown's daytime population and providing support to existing businesses. Renovations are ongoing into 2022.

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, 2021; 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 \$9.5 million was spent on the ongoing street resurfacing and street reconstruction programs.
- \$5.0 million was spent on storm water control improvements.
- \$4.5 million was spent on water and sewer rehabilitation and replacement projects.
- In excess of \$1 million was spent toward the replacement of Village vehicles.
- Other significant capital expenses included:
 - \$545,000 was spent on redevelopment in the TIF IV area
 - \$205,000 for municipal parking lot improvements

Other Efforts

For the third consecutive year, the 2021 property tax levy reflects a 0% increase over the prior year extended levy, while still providing high quality services to the community.

The year ended with a significant surplus in the General Fund, and the Village Board subsequently approved transfers-out to the Municipal Parking Operations Fund, the Capital Projects Fund and the Fleet Operations Fund to provide financial assistance for future capital costs.

The General Fund also transferred funds to subsidize the Lead Service Line Replacement Fund. This is a new fund established in response to the new State mandate that all public lead water service lines be phased out of service by the year 2044. The law also states that the Village will need to show continuous improvement with a minimum of 6% of existing lead services replaced per year starting in 2027. In 2023 the Village will be seeking partial funding for this program through the Federal infrastructure Loan Plan.

The Senior Center received Accreditation status by the National Institute of Senior Centers (NISC). The process entailed strong community partnerships with partner agencies. It is one of 100 senior centers out of 11,000 senior centers across the United States to be bestowed this accreditation.

The Village selected Tyler Technologies, as its new Enterprise Resource Planning (ERP) provider. This software will enhance the employee, resident and business experience. It will provide greater sharing of information between Village departments with less duplication and redundant data processing, allowing our staff to provide more efficient services to our residents and businesses.

The Buffalo Creek Multi-Use Trail Extension was completed. This project provides a safer dedicated crossing at Lake Cook and Wilke Road, connecting the north side of Arlington Heights with Buffalo Creek Preserve trails.

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, 2021 reflects funding levels of 93% for the Police Pension Fund and 86% 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, 2021 reflects a funding level of 99%. 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.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Report (CAFR) for period ended December 31, 2020. 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 CAFR. This report satisfied both GAAP and applicable legal requirements.

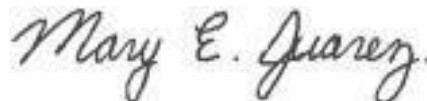
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation especially to Alexis Smulson, Accounting Manager, Kevin Baumgartner, Budget Coordinator/Accountant 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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Based on our audit and the report of other auditors, 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, 2021, and the respective changes in financial positions and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 24.48%, 25.62%, and 0.92% 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. The financial statements of the NWWC were not audited in accordance with *Government Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund financial statements and schedules 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.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

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, 2020, 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 2020 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 2020 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, supplemental information and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022, 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 the effectiveness of the Village's 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 13, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

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 5).

Financial Highlights

- The Village's total net position increased by \$39.9 million or 19.2% during the calendar year ending December 31, 2021. The governmental net position increased by \$25.4 million and the business-type activities net position increased by \$14.5 million.
- The Village's combined Governmental Funds ending fund balance decreased by \$1.0 million.
- At the end of the current fiscal year, the unrestricted fund balance for the General Fund was \$30,406,608 or 40.5% of General Fund expenditures.

USING THE FINANCIAL SECTION OF THIS ANNUAL COMPREHENSIVE FINANCIAL 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.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund Financial Statements

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

Governmental Funds

The Governmental Major Fund presentation (see Pages 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 10 and 12). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements). The reconciliation also includes the Internal Service Funds' activities given that the Internal Service Funds serve primarily the Governmental Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 20-75 of this report.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Pages 76-88 of this report. The combining and individual fund statements for the governmental, enterprise and internal service funds are presented on Pages 89-144 of this report, immediately following the required supplementary information.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position increased by \$39.9 million from 2020, increasing from \$209.1 million to \$248.0 million. The largest portion of the Village's net position (\$191.0 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 \$25 million from \$148.0 million to \$173.0 million. The business-type activities net position increased by \$13.9 million from \$61.1 million to \$75.0 million. Table 1 reflects the condensed Statement of Net Position compared to 2020. 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, 2021 (In Millions)

	Governmental		Business-Type		Total Primary	
	2021	2020	2021	2020	2021	2020
Assets						
Current & Other Assets	\$ 167.2	\$ 161.1	\$ 41.4	\$ 32.7	\$ 208.6	\$ 193.8
Capital Assets	210.5	207.4	36.8	32.5	247.3	239.9
Total Assets	377.7	368.5	78.2	65.2	455.9	433.7
Deferred Outflows of Resources	29.0	14.5	2.3	2.5	31.3	17.0
Liabilities						
Current Liabilities	11.8	9.7	0.6	0.4	12.4	10.1
Long-Term Liabilities	134.6	150.9	2.1	4.7	136.7	155.6
Total Liabilities	146.4	160.6	2.7	5.1	149.1	165.7
Deferred Inflows of Resources	87.4	74.4	2.9	1.5	90.3	75.9
Net Position						
Net Investment in Capital Assets	162.0	154.3	36.8	32.5	191.0	186.8
Restricted	42.3	34.2	0.0	0.0	42.3	34.2
Unrestricted	(31.3)	(40.5)	38.1	28.6	14.7	(11.9)
Total Net Position	\$ 173.0	\$ 148.0	\$ 75.0	\$ 61.1	\$ 248.0	\$ 209.1

Note: The 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 (and related amounts), while the governmental activities column does not include these amounts in the calculation of the net investment of capital assets.

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 \$39.9 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by \$25.0 million and the business-type activities net position increasing \$13.9 million. The governmental activities total assets and deferred outflow of resources increased by \$23.7 million and the governmental activities total liabilities and deferred inflows of resources decreased by \$1.3 million.

The governmental activities total assets increase of \$9.2 million is due to a \$6.1 million increase in current and other assets and a \$3.1 million increase in capital assets. The governmental activities current assets increase is mainly from the increase in the cash position due to the funds received from the American Rescue Plan Act (ARPA) Grant, the increase in Sales and Income Taxes received over the prior year and the surplus of revenues over expenditures. The \$3.1 million increase in capital assets was mainly from the addition of Public Improvement Infrastructure.

The large decrease in total liabilities of \$14.2 million is attributable the decrease of \$16.3 million in the long-term net pensions liabilities of \$11.3 million and the Bonds Payable balance of \$5 million. This decrease was offset by an increase of \$2.1 million to the balance of current liabilities. IMRF and Police Pension Liabilities were \$13.7 million lower than the prior year due to budgeted Village and Employee contributions and Net Investment Income received during the year. The contributions and investment income were greater than the benefit payments to retired members in 2021, which subsequently lowered the net pension liabilities. These gains in IMRF and Police Net Pension Liabilities were offset by the Fire Pension Net Pension Liability increasing \$2.4 million due to a change in the Mortality Rate. In addition, Accounts Payable increased \$1.4 million mainly due to the General and Capital Projects Funds and the timing of year-end expenses.

The Village's other post-employment benefits (OPEB) obligation increased by \$820,000 due to the decrease in the discount rate from 2% down to 1.84%. 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.

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

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.

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 2021 property tax levy, which was levied in December 2021, but will not be collected and distributed to the Village until calendar year 2022.

The total assets of the business-type activities increased by \$13.0 million from \$65.2 million to \$78.2 million. This was mainly due to the Operating Transfer of \$4 million from the General Fund to fund the New Lead Line Service Replacement Fund. In addition, funds of \$2.5 million were received from the ARPA Grant and charges for services increased \$1.5 million in the Water and Sewer Fund. This cash inflow was enhanced by the surplus of revenues over expenditures in the Water and Sewer Fund. Capital Assets in the Water and Sewer Fund also increased with the largest amount attributed to Underground Systems of \$5 million.

Total liabilities of business-type activities decreased \$2.4 million mainly from a decrease in the IMRF net pension liability due to budgeted Village and Employee contributions and the Net Investment Income received during the year, which were greater than the benefit payments to retired members, which subsequently lowered the pension liability.

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

Changes in Net Position

The Village's combined change in net position increased by \$39.9 million from a restated \$209.1 million to \$247.9 million in 2021. The Village's total revenue (net of transfers) increased by \$13.8 million. The Village's cost of all programs decreased by \$1.5 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	
	2021	2020	2021	2020	2021	2020
Revenue						
Program Revenues						
Charges for Services	\$ 13.2	\$ 11.3	\$ 23.8	\$ 22.7	\$ 37.0	\$ 34.0
Operating Grants	4.6	5.9	0.0	0.0	4.6	5.9
Capital Grants	4.1	0.0	3.1	0.0	7.2	0.0
General Revenues						
Property Taxes & Replacement Taxes	40.0	39.1	0.0	0.0	40.0	39.1
Other Taxes	46.4	39.5	0.7	0.0	47.1	39.5
Other Revenue	1.8	4.4	0.5	1.5	2.3	5.9
Total Revenues	\$ 110.1	\$ 100.2	\$ 28.1	\$ 24.2	\$ 138.2	\$ 124.4
Expenses						
Governmental Activities						
General Government	4.2	3.6	0.0	0.0	4.2	3.6
Public Safety	41.6	42.5	0.0	0.0	41.6	42.5
Highways & Streets	23.1	23.0	0.0	0.0	23.1	23.0
Community Development	5.1	5.1	0.0	0.0	5.1	5.1
Health & Welfare	2.2	2.3	0.0	0.0	2.2	2.3
Interest	1.9	1.9	0.0	0.0	1.9	1.9
Business Type						
Water & Sewer	0.0	0.0	17.9	19.4	17.9	19.4
Solid Waste Disposal	0.0	0.0	1.6	1.5	1.6	1.5
Arts, Ent. & Events	0.0	0.0	0.8	0.5	0.8	0.5
Total Expenses	\$ 78.1	\$ 78.4	\$ 20.3	\$ 21.4	\$ 98.3	\$ 99.8
Change in Net Position Before Transfers	\$ 32.0	\$ 21.8	\$ 7.8	\$ 2.8	\$ 39.9	\$ 24.6
Transfers	\$ (6.7)	\$ (8.5)	\$ 6.7	\$ 8.5	\$ -	\$ -
Change in Net Position	25.3	13.3	14.5	11.3	39.9	24.6
Beginning Net Position - As Restated	147.6	134.6	60.5	49.8	208.1	184.5
Ending Net Position	\$ 173.0	\$ 148.0	\$ 75.0	\$ 61.1	\$ 248.0	\$ 209.1

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Normal Impacts on Revenues and Expenses

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

Revenues:

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

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

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

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

Expenses:

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

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

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

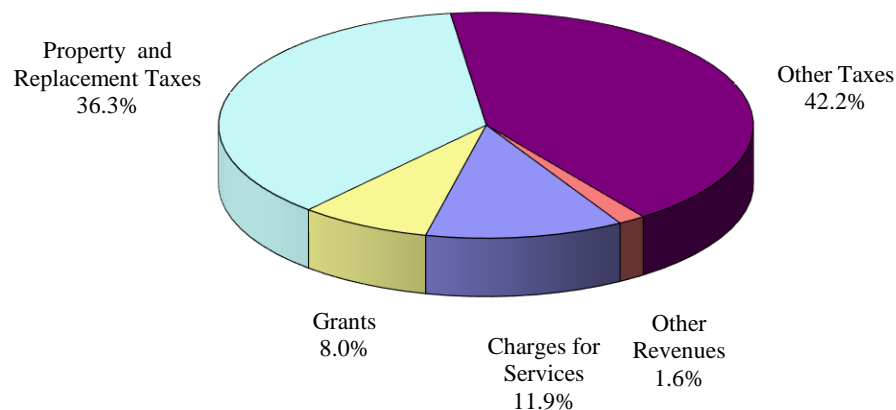
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Current Year Impacts

Governmental Activities

Revenues:

**12/31/21 Governmental Activities
Revenues by Source**



For the fiscal year ended December 31, 2021, revenues from Governmental Activities totaled \$110.1 million, which was \$9.9 million (net of transfers) more than the prior year total. Property and Replacement tax receipts of \$39 million, which represents 36.3% of the total Governmental Activity revenue, remained relatively level when compared to the prior year due to a 0% Property Tax increase from calendar year 2020.

During the fiscal year, Other taxes was one of the Village's largest revenue categories coming in at \$46.4 million and representing 42.2% of total Government Activity revenue. Other Taxes includes Sales and Home Rule taxes, which when combined brought in \$23.9 million during the calendar year. The increase in Sales taxes is mainly due to the new state and federal laws that require payment of sales taxes on internet sales. In addition, the inflation raised the cost of goods, which increased Sales tax receipts.

Food and Beverage Taxes also increased 35% over the prior year from, \$1.6 million to \$2.1 million as a result of restaurants recovering from the Pandemic and inflation. Other Taxes also includes Income Taxes of \$9.9 million, which increased \$1.8 million over the prior year, which corresponds to a lower level of unemployment. Other taxes, also contains the telecommunications tax, use tax, and other miscellaneous taxes total. Telecommunication tax receipts decreased by about \$184,100 or 10% from more residents eliminating their land lines. Use taxes decreased approximately \$329,200 and electric and natural gas utility tax receipts decreased by about \$51,200.

Charges for Services came in at \$13.1 million or 11.9% of total Government Activity revenue. These revenues include Building Permits, Engineering Service charges, Vehicle Licenses, Ambulance Fees, Cable Franchise Fees, General Fund Service Charges to the Municipal Parking, TIF, and Water & Sewer Funds, parking lot fees and fines, and other charges. Charges for Services increased 1.8 million due to the local economy improving from the Pandemic. The Village realized gains of \$1.2 million from Fines and Fees and \$700,000 from Licenses and Permits. These gains were offset by a decrease in Parking fees of \$130,000, caused largely by less commuters due to hybrid remote work schedules that have become prevalent following the Pandemic.

Grants increased by about \$2.9 million from the prior year. This increase is due primarily to Grant revenue recognized from the ARPA Grant to offset Revenue losses from the Pandemic.

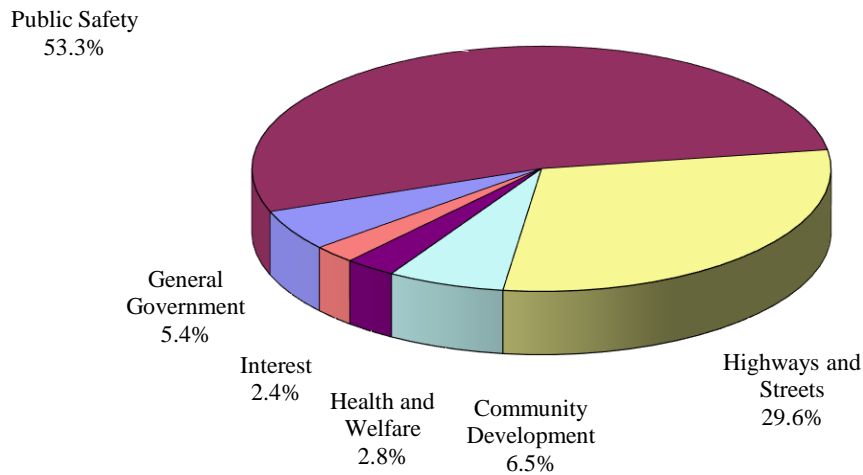
(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Expenses:

12/31/21 Governmental Activities Expenses by Function



For the year ended December 31, 2021, expenses from Governmental Activities totaled \$78.1 million. Expenses remained relatively consistent with the prior year, decreasing minimally by \$373,000 (net of transfers). The majority of the expenses were from Public Safety and Highways and Streets salaries and fringe benefits.

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 \$3.9 million (net of transfers). Water and sewer rates increased 5.0% 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. Grants of \$3.1 million were received in the Water and Sewer Fund which were primarily from the ARPA Grant to offset Revenue losses from the Pandemic. Solid Waste Disposal revenues increased by approximately \$50,000 from the prior year.

Expenses:

Expenses from business-type activities decreased by about \$1.1 million (net of transfers) compared to the prior year. The main reason was due to a decrease in the Water and Sewer Fund expenditures Capital Outlay net of Assets Capitalized of \$1.6 million. The \$1.6 million savings was offset by a combined increase of Contractual and Commodities charges in the Business-Type Activity Funds.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At December 31, 2021, the Governmental Funds Balance Sheet (as presented on Page 9) reported a combined fund balance of \$84,202,219, which is a 1% decrease from the beginning of the year balance of \$85,231,611. Of the total fund balance, \$29,561,812 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 \$47,458,344 include \$1,937,002 for debt service, \$20,003,142 for capital projects, \$1,827,664 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), \$5,607,212 for highways and streets (MFT Fund), \$5,324,461 for Stormwater Control, and \$12,758,863 for community development (TIF Funds). Assigned fund balances are intended to be used by the Village for specific purposes and are designated by the Village's Finance Director for reporting purposes. Assigned fund balances totaling \$6,921,995 includes \$6,077,199 for public parking and \$844,796 for other miscellaneous purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. Revenues came in over expenditures by \$7,421,291, mainly from the increase of Sales Tax receipts from the Internet, the recovery on the local hospitality industry from the Pandemic, and the effects of the rising Inflation. Income Taxes increased over the prior year due to a lower level of unemployment. Property Taxes also increased from an increased property Tax levy for the General Fund to cover higher Operating costs, while still retaining an overall 0% Property Tax increase from the prior year. Given that the General Fund has acquired a healthy fund balance over the years, the General Fund transferred its surplus to other funds. Transfers consisted of \$4 million to fund the new Lead Service Line Replacement Fund, a \$1.9 million transfer to the Capital Projects Fund, \$1.2 million to the Fleet Fund and \$370,000 to the Municipal Parking Fund.

The Debt Service Fund is used to account for the general long-term debt. The total fund balance of the Debt Service Fund of \$1,937,002 decreased by \$161,098 compared to \$2,098,100 at December 31, 2020. Property Taxes decreased by \$244,497 due to the decrease in the Property Tax Levy to adjust for lower debt service payments due in 2021, along with decreases to Investment Income as a result of lower yields.

The Capital Projects Fund accounts for the costs of capital improvement and equipment replacement. The total Fund Balance increased by \$2,685,863 from \$16,738,438 to \$19,424,301 at December 31, 2021. The increase in Fund Balance was mainly from the combination of Revenues surpassing Expenditures by \$2.7 million. The change in Transfers over the prior year when netted, was minimal from a \$1.9 million Interfund transfer from the General Fund and a \$500,000 Interfund transfer in from Non-major funds, which was then offset by a Transfer-out of \$2.5 million to the Water and Sewer Fund.

Proprietary Funds

At December 31, 2021 the Proprietary Funds (as presented on Pages 13-17) total net position increased by \$14.5 million or 24.%. Accumulated depreciation increased by \$1.6 million and depreciable assets increased by \$6.5 million.

In the Water & Sewer Fund, cash and investments increased by \$3.4 million due to operating transfers in of \$2.5 million from the Capital Projects Fund, along with cash revenues of \$21.5 million, which were offset by planned expenses and Capital Outlay of \$20.6 million. Solid Waste Disposal Fund cash and investments decreased by \$165,200 due to an increase in Prepaids, Receivables and an Operating Transfer out to the Capital Projects Fund of \$500,000. In the A, E & E Fund, cash and investments increased \$729,500 from Interfund Transfers in of \$650,000, charges for services and interest of \$79,500. In addition, Food and Beverage taxes of \$714,000 were received, which increased \$194,200 over the prior year due to the recovery from the Pandemic. These cash inflows were offset by planned expenses of \$714,100. The new Lead Service Line Replacement Fund has a cash balance of \$4 million which was funded from the General Fund's surplus.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual
Revenues	\$ 76,118,300	\$ 76,162,350	\$ 82,573,141
Expenditures	77,010,000	77,237,684	75,151,850
Excess of Revenues			
Over Expenditures	\$ (891,700)	\$ (1,075,334)	\$ 7,421,291
Other Financing Sources (Uses)	200,000	(7,350,000)	(7,350,000)
Net Changes in Fund Balance	\$ (691,700)	\$ (8,425,334)	\$ 71,291

Over the course of the fiscal year, as shown on page 112 the Village amended the General Fund expenditure budget at various times for a total of \$7,777,684 or 9.8% over the original budget. The expenditure budget amendments can be summarized as follows:

\$204,394	Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year.
\$7,550,000	Surplus Operating Transfer Out
\$22,750	Miscellaneous Budget Amendments.
<u>\$7,777,684</u>	Total General Fund expenditure budget amendments.

General Fund revenues ended the fiscal year \$6.4 million over the final budget from an increase of taxes received on Internet Sales, the recovery from the Pandemic, Inflation and a lower unemployment rate. Sales, Home rule sales, Replacement Taxes and Food/beverage tax receipts were a combined \$5.2 million over budget. Income tax receipts outperformed the budget by \$2.6 million. Ambulance service charges came in over budget by \$515,000 due to Ground Emergency Medical Transportation (GEMT) supplemental payments paid for transporting Medicaid patients. Other Grants came in over budget by \$280,00 primarily from State grants. Liquor and Vehicle licenses came in \$66,700 under budget. Permits came in \$100,000 under Budget. State Use Tax came in \$117,000 under budget. Electric utility tax receipts came \$201,000 under budget, along with natural gas utility tax receipts coming in under budget by \$155,000. Telecommunications tax receipts came in under budget by \$405,000 and Cable franchise fees came in \$111,000 lower. These latter two revenue decreases were caused by Disruptive technologies from residents disconnecting their land lines in favor of cell phones and replacing Cable with Streaming services.

The year-end results for General Fund expenditures were positive as expenditures came in under budget by \$2,085,834. Of this amount, salary and fringe benefit expenditures for the Police and Public Works Department came in under budget by \$1.1 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 increased by \$71,291 as a result of revenues coming in over expenditures by \$7,421,291, with an offset from net of other financing sources (uses) totaling \$7,350,000, to provide financial assistance to several capital funds. This transfer-out amount was significantly higher than in prior years. Another significant use of the transfer-out was \$4 million to the Lead Service Line Replacement fund. The fund was established at the end of 2021 to account for the costs associated with the new Federal and State mandate that all public lead water service lines be phased out of service by the year 2044.

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

CAPITAL ASSETS

At the end of 2021, the Village had a combined total of \$247.3 million invested in a broad range of capital assets including police and fire equipment, buildings, Village facilities, roads, and water and sewer lines. The following tables summarize the changes in Capital Assets which are presented in detail on Pages 32-33 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net increase (including additions and deletions) of \$8.36 million. Table 5 focuses on the changes in capital assets of the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$12.40	\$11.90	\$2.93	\$2.93	\$15.33	\$14.83
Land Right-of-Way (ROW)	84.93	84.50	--	--	84.93	84.50
Construction in Progress	0.00	0.29	--	--	0.00	0.29
Building	70.97	74.00	7.53	7.90	78.50	81.90
Machinery & Equipment	8.07	8.80	1.94	2.10	10.01	10.90
Infrastructure (Streets)	34.11	27.50	--	--	34.11	27.50
Underground Systems (Water & Sewer)	--	--	24.40	19.00	24.40	19.00
Total Capital Assets, Net	\$210.52	\$207.04	\$36.80	\$31.92	\$247.32	\$238.96

Table 5: Change in Capital Assets (In Millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$207.04	\$31.92	\$238.96
Additions			
Depreciable	8.89	6.53	15.42
Non-Depreciable	0.91	-	0.91
CIP	-	-	-
Retirements			
Depreciable	-	-	-
Non-Depreciable	-	-	-
CIP	(0.29)	-	(0.29)
Depreciation	(6.04)	(1.65)	(7.69)
Retirement	-	-	-
Ending Balance	\$210.52	\$36.80	\$247.32

The governmental activities net capital assets increased by \$3.5 million due primarily from the additions of vehicles and infrastructure. Depreciation Expense was \$6.0 million for the current year. For business-type activities, the capital assets net of depreciation increased by \$4.8 million or 15% due primarily to the addition of Infrastructure consisting of Storm Sewers.

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

DEBT OUTSTANDING

As of December 31, 2021, total General Obligation Bonds outstanding for governmental activities amounted to \$56.9 million. Of this amount, \$37.2 million for reconstruction of public buildings, \$280,000 for the NWCDS building, \$2.4 million is for road improvements, \$8.6 million for Storm Water Sewer Improvements, \$1.3 million for Parking Lot Infrastructure Improvements, and \$7.1 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 35-39.

ECONOMIC FACTORS AND NEXT YEAR'S 2022 BUDGET

This fiscal year ended positively as the Village's General Fund ended with a surplus. Due to current and past year's budgeting policies that have been put in place, the Village has maintained a strong fund balance. During the past year, the Village has continued to experience a recovery from the impacts of the Pandemic. The Village tightened its expenditures where possible and was also fortunate to receive the ARPA Grant during 2021, which helped to partially alleviate the financial stress. Sales Taxes rose due to the new state and federal laws requiring the payment of sales taxes on internet sales. Property Tax receipts have remained stable and Income taxes increased from a lower Unemployment rate. The Village is scheduled to receive more Stimulus Funds from the Federal Government which will relieve some of the lasting effects from the Pandemic. During 2022, financial pressures from inflation and supply chain issues will continue to cause much higher Village expenses for fuel, vehicles and other products. Going forward, the Village will continue to budget conservatively to maintain a stable fund balance, while providing and improving services and infrastructure 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.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 114,164,605	\$ 19,246,100	\$ 133,410,705
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	39,975,900	-	39,975,900
Other taxes	8,094,354	-	8,094,354
Customer accounts	-	3,341,972	3,341,972
CDBG rehabilitation loans	1,868,342	-	1,868,342
Grants	287,522	-	287,522
Accrued interest	4,264	587	4,851
Other	2,282,507	-	2,282,507
Prepaid expenses	197,514	136,379	333,893
Inventory	339,003	543,950	882,953
Investment in joint venture	-	18,174,601	18,174,601
Capital assets not being depreciated	97,334,088	2,926,027	100,260,115
Capital assets being depreciated (net of accumulated depreciation)	113,183,004	33,876,168	147,059,172
Total assets	377,731,103	78,245,784	455,976,887
DEFERRED OUTFLOWS OF RESOURCES			
Asset retirement obligation items	-	945,000	945,000
IMRF items	4,066,419	1,180,835	5,247,254
Police pension items	11,740,573	-	11,740,573
Firefighters' pension items	7,227,501	-	7,227,501
OPEB items	5,952,410	195,112	6,147,522
Unamortized loss on refunding	54,154	-	54,154
Total deferred outflows of resources	29,041,057	2,320,947	31,362,004
Total assets and deferred outflows of resources	406,772,160	80,566,731	487,338,891

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 5,141,850	\$ 479,582	\$ 5,621,432
Accrued payroll	1,602,337	116,700	1,719,037
Unearned revenue	903,172	-	903,172
Payroll taxes payable	2,372,544	-	2,372,544
Claims payable	1,642,548	-	1,642,548
Accrued interest payable	178,758	-	178,758
Noncurrent liabilities			
Due within one year	6,730,184	76,678	6,806,862
Due in more than one year	127,798,257	2,064,629	129,862,886
Total liabilities	146,369,650	2,737,589	149,107,239
DEFERRED INFLOWS OF RESOURCES			
IMRF items	9,756,443	2,844,867	12,601,310
Police pension items	22,651,268	-	22,651,268
Firefighters' pension items	11,824,904	-	11,824,904
OPEB items	3,158,607	33,924	3,192,531
Unavailable revenue - property taxes	39,975,900	-	39,975,900
Total deferred inflows of resources	87,367,122	2,878,791	90,245,913
Total liabilities and deferred inflows of resources	233,736,772	5,616,380	239,353,152
NET POSITION			
Net investment in capital assets*	161,981,905	36,802,195	190,996,444
Restricted for			
Public safety	1,827,664	-	1,827,664
Highways and streets	5,607,212	-	5,607,212
Capital projects	14,882,251	-	14,882,251
Community development	12,758,863	-	12,758,863
Debt service	1,937,002	-	1,937,002
Stormwater control	5,324,461	-	5,324,461
Unrestricted (deficit)	(31,283,970)	38,148,156	14,651,842
TOTAL NET POSITION	\$ 173,035,388	\$ 74,950,351	\$ 247,985,739

*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, 2021

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,214,032	\$ 5,638,509	\$ 438,355	\$ 2,500,000
Public safety	41,568,604	4,582,496	165,553	-
Highways and streets	23,098,121	801,674	3,391,273	1,649,817
Community development	5,098,029	2,101,097	564,652	-
Health and welfare	2,212,596	54,715	-	-
Interest	1,870,744	-	-	-
Total governmental activities	78,062,126	13,178,491	4,559,833	4,149,817
Business-Type Activities				
Water and sewer	17,909,075	21,711,866	-	3,102,920
Solid waste disposal	1,615,341	1,969,866	-	-
Arts, entertainment, and events	774,766	101,067	-	-
Total business-type activities	20,299,182	23,782,799	-	3,102,920
TOTAL PRIMARY GOVERNMENT	\$ 98,361,308	\$ 36,961,290	\$ 4,559,833	\$ 7,252,737

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ 4,362,832	\$ -	\$ 4,362,832
	(36,820,555)	-	(36,820,555)
	(17,255,357)	-	(17,255,357)
	(2,432,280)	-	(2,432,280)
	(2,157,881)	-	(2,157,881)
	(1,870,744)	-	(1,870,744)
	(56,173,985)	-	(56,173,985)
	-	6,905,711	6,905,711
	-	354,525	354,525
	-	(673,699)	(673,699)
	-	6,586,537	6,586,537
	(56,173,985)	6,586,537	(49,587,448)
General Revenues			
Taxes			
Property	39,175,623	-	39,175,623
Utility	4,943,577	-	4,943,577
Home rule sales	8,757,129	-	8,757,129
Hotel/motel	641,947	-	641,947
Food and beverage	2,139,900	713,530	2,853,430
Telecommunications	1,684,735	-	1,684,735
Foreign fire insurance	157,551	-	157,551
Other	50,558	-	50,558
Intergovernmental - unrestricted			
Sales	15,162,957	-	15,162,957
Use	2,961,695	-	2,961,695
Replacement	816,967	-	816,967
Shared income taxes	9,939,827	-	9,939,827
Investment income	75,345	14,898	90,243
Miscellaneous	1,730,316	492,282	2,222,598
Transfers	(6,650,000)	6,650,000	-
Total	81,588,127	7,870,710	89,458,837
CHANGE IN NET POSITION	25,414,142	14,457,247	39,871,389
NET POSITION, JANUARY 1	148,014,587	61,093,034	209,107,621
Prior period adjustment	(393,341)	(599,930)	(993,271)
NET POSITION, JANUARY 1 (RESTATED)	147,621,246	60,493,104	208,114,350
NET POSITION, DECEMBER 31	\$ 173,035,388	\$ 74,950,351	\$ 247,985,739

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2021

	General	Debt Service	Capital Projects	Nonmajor	Total
ASSETS					
Cash and investments	\$ 28,142,720	\$ 1,937,245	\$ 20,497,305	\$ 32,338,700	\$ 82,915,970
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	26,167,300	6,498,700	5,250,000	2,059,900	39,975,900
Other taxes	7,249,463	-	565,616	279,275	8,094,354
CDBG rehabilitation loans	-	-	-	1,868,342	1,868,342
Zero interest loans	-	-	-	166,494	166,494
Grants	-	-	37,500	250,022	287,522
Accrued interest	1,363	75	706	966	3,110
Other	1,550,030	-	-	206,956	1,756,986
Prepaid items	181,055	-	8,411	-	189,466
Due from other funds	200,001	-	-	-	200,001
Inventory	70,602	-	-	-	70,602
TOTAL ASSETS	\$ 63,562,534	\$ 8,436,020	\$ 26,359,538	\$ 37,170,655	\$ 135,528,747
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,791,516	\$ 318	\$ 1,184,909	\$ 665,006	\$ 4,641,749
Accrued payroll	1,548,029	-	328	8,996	1,557,353
Deposits payable	2,372,544	-	-	-	2,372,544
Due to other funds	-	-	-	200,001	200,001
Unearned revenue	24,880	-	500,000	19,265	544,145
Total liabilities	6,736,969	318	1,685,237	893,268	9,315,792
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	2,034,836	2,034,836
Unavailable revenue - property taxes	26,167,300	6,498,700	5,250,000	2,059,900	39,975,900
Total deferred inflows of resources	26,167,300	6,498,700	5,250,000	4,094,736	42,010,736
Total liabilities and deferred inflows of resources	32,904,269	6,499,018	6,935,237	4,988,004	51,326,528
FUND BALANCES					
Nonspendable					
Prepaid items	181,055	-	8,411	-	189,466
Inventory	70,602	-	-	-	70,602
Restricted					
Debt service	-	1,937,002	-	-	1,937,002
Capital projects	-	-	19,415,890	587,252	20,003,142
Public safety	-	-	-	1,827,664	1,827,664
Highways and streets	-	-	-	5,607,212	5,607,212
Community development	-	-	-	12,758,863	12,758,863
Stormwater control	-	-	-	5,324,461	5,324,461
Unrestricted					
Assigned					
Disabled citizens programs	4,940	-	-	-	4,940
Emergency assistance programs	273,063	-	-	-	273,063
Senior center maintenance	289,000	-	-	-	289,000
Canine unit donation	127,793	-	-	-	127,793
TIF refund	150,000	-	-	-	150,000
Public parking	-	-	-	6,077,199	6,077,199
Unassigned	29,561,812	-	-	-	29,561,812
Total fund balances	30,658,265	1,937,002	19,424,301	32,182,651	84,202,219
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,562,534	\$ 8,436,020	\$ 26,359,538	\$ 37,170,655	\$ 135,528,747

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, 2021

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 84,202,219
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	210,517,092
Less internal service funds	(7,546,213)
Certain revenues are reported as unavailable in governmental funds but reported as revenue on the statement of activities	2,034,836
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(56,940,000)
Unamortized premium on bonds	(4,559,590)
Unamortized loss on refunding of bonds	54,154
Net pension liability - police pension	(13,765,669)
Net pension liability - firefighters' pension	(30,079,811)
Net pension liability - IMRF	(34,538)
Total OPEB liability	(27,052,178)
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	4,066,419
Deferred inflows of resources	(9,756,443)
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	11,740,573
Deferred inflows of resources	(22,651,268)
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	7,227,501
Deferred inflows of resources	(11,824,904)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Postemployment Benefit Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	5,868,388
Deferred inflows of resources	(3,116,287)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in governmental funds	(1,870,485)
Less internal service funds	144,204
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(178,758)
The net position of the internal service funds are included in the governmental activities in the statement of net position	36,556,146
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 173,035,388

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, 2021

	General	Debt Service	Capital Projects	Nonmajor	Total
REVENUES					
Taxes	\$ 41,972,763	\$ 6,333,967	\$ 6,477,814	\$ 2,766,476	\$ 57,551,020
Licenses and permits	4,076,369	-	-	-	4,076,369
Intergovernmental	28,881,446	-	-	3,005,470	31,886,916
Grants	670,311	-	2,948,666	2,214,469	5,833,446
Charges for services	1,569	-	-	2,845,685	2,847,254
Fines and fees	6,446,887	-	-	2,774	6,449,661
Investment income	24,705	2,986	23,511	24,143	75,345
Miscellaneous	499,091	290,182	260,756	635,818	1,685,847
Total revenues	82,573,141	6,627,135	9,710,747	11,494,835	110,405,858
EXPENDITURES					
Current					
General government	5,215,495	-	-	20,000	5,235,495
Public safety	50,773,638	-	-	315,516	51,089,154
Highways and streets	12,484,825	-	-	1,098,047	13,582,872
Community development	4,345,909	-	-	801,593	5,147,502
Health and welfare	2,331,983	-	-	-	2,331,983
Capital outlay	-	-	6,976,345	9,741,566	16,717,911
Debt service					
Principal retirement	-	5,075,000	-	-	5,075,000
Interest and fiscal charges	-	2,405,333	-	-	2,405,333
Total expenditures	75,151,850	7,480,333	6,976,345	11,976,722	101,585,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,421,291	(853,198)	2,734,402	(481,887)	8,820,608
OTHER FINANCING SOURCES (USES)					
Transfers in	200,000	692,100	2,451,461	950,000	4,293,561
Transfers (out)	(7,550,000)	-	(2,500,000)	(4,093,561)	(14,143,561)
Total other financing sources (uses)	(7,350,000)	692,100	(48,539)	(3,143,561)	(9,850,000)
NET CHANGE IN FUND BALANCES	71,291	(161,098)	2,685,863	(3,625,448)	(1,029,392)
FUND BALANCES, JANUARY 1	30,586,974	2,098,100	16,738,438	35,808,099	85,231,611
FUND BALANCES, DECEMBER 31	\$ 30,658,265	\$ 1,937,002	\$ 19,424,301	\$ 32,182,651	\$ 84,202,219

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, 2021

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,029,392)
---	-----------------------

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	8,429,826
--	-----------

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	(4,561,892)
---	-------------

Certain revenues are reported as unavailable in governmental funds but reported as revenue on the statement of activities	(279,590)
---	-----------

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	5,075,000
--	-----------

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	557,690
Change in compensated absences liability	228,528
Change in accrued interest payable	31,054

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	8,403,701
Deferred outflows and deferred inflows of resources	(5,144,997)

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	5,311,199
Deferred outflows and deferred inflows of resources	1,321,239

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	(2,405,060)
Deferred outflows and deferred inflows of resources	6,252,498

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	(818,459)
Deferred outflows and deferred inflows of resources	(322,107)

The change in net position of internal service funds is reported in governmental activities	<u>4,419,059</u>
---	------------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 25,414,142</u></u>
--	------------------------------------

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2021

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS				
Cash and cash equivalents	\$ 10,391,663	\$ 8,854,437	\$ 19,246,100	\$ 31,248,635
Receivables				
Customer accounts	3,163,497	178,475	3,341,972	-
Accrued interest	400	187	587	1,154
Other	-	-	-	359,027
Prepaid expenses	7,600	128,779	136,379	8,048
Inventory	543,950	-	543,950	268,401
Total current assets	14,107,110	9,161,878	23,268,988	31,885,265
NONCURRENT ASSETS				
Capital assets				
Nondepreciable capital assets	2,450,827	475,200	2,926,027	-
Depreciable capital assets	115,163,485	2,468,355	117,631,840	22,697,647
Accumulated depreciation	(82,563,311)	(1,192,361)	(83,755,672)	(15,151,434)
Net capital assets	35,051,001	1,751,194	36,802,195	7,546,213
Other assets				
Investment in joint venture	18,174,601	-	18,174,601	-
Total other assets	18,174,601	-	18,174,601	-
Total noncurrent assets	53,225,602	1,751,194	54,976,796	7,546,213
Total assets	67,332,712	10,913,072	78,245,784	39,431,478
DEFERRED OUTFLOWS OF RESOURCES				
Asset retirement obligation items	945,000	-	945,000	-
IMRF items	1,180,835	-	1,180,835	-
OPEB items	195,112	-	195,112	84,022
Total deferred outflows of resources	2,320,947	-	2,320,947	84,022
Total assets and deferred outflows of resources	69,653,659	10,913,072	80,566,731	39,515,500

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

December 31, 2021

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CURRENT LIABILITIES				
Accounts payable	\$ 407,291	\$ 72,291	\$ 479,582	\$ 500,101
Unearned revenue	-	-	-	359,027
Accrued payroll	116,700	-	116,700	44,984
Claims payable	-	-	-	1,642,548
Compensated absences payable	44,542	-	44,542	28,841
Total OPEB liability	32,136	-	32,136	8,466
Total current liabilities	600,669	72,291	672,960	2,583,967
LONG-TERM LIABILITIES				
Compensated absences payable	178,167	-	178,167	115,363
Asset retirement obligations	1,050,000	-	1,050,000	-
Net pension liability - IMRF	10,071	-	10,071	-
Total OPEB liability	826,391	-	826,391	217,704
Total long-term liabilities	2,064,629	-	2,064,629	333,067
Total liabilities	2,665,298	72,291	2,737,589	2,917,034
DEFERRED INFLOWS OF RESOURCES				
IMRF items	2,844,867	-	2,844,867	-
OPEB items	33,924	-	33,924	42,320
Total deferred inflows of resources	2,878,791	-	2,878,791	42,320
Total liabilities and deferred inflows of resources	5,544,089	72,291	5,616,380	2,959,354
NET POSITION				
Net investment in capital assets	35,051,001	1,751,194	36,802,195	7,546,213
Unrestricted	29,058,569	9,089,587	38,148,156	29,009,933
TOTAL NET POSITION	\$ 64,109,570	\$ 10,840,781	\$ 74,950,351	\$ 36,556,146

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, 2021

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 21,458,315	\$ 2,070,933	\$ 23,529,248	\$ 19,266,000
Contributions	-	-	-	2,325,110
Fines	-	-	-	13,542
Miscellaneous	428,728	-	428,728	263,097
Total operating revenues	21,887,043	2,070,933	23,957,976	21,867,749
OPERATING EXPENSES				
Operations	16,285,857	2,329,434	18,615,291	19,363,175
Depreciation and amortization	1,623,218	60,673	1,683,891	1,474,531
Total operating expenses	17,909,075	2,390,107	20,299,182	20,837,706
OPERATING INCOME (LOSS)	3,977,968	(319,174)	3,658,794	1,030,043
NON-OPERATING REVENUES (EXPENSES)				
Investment income	11,361	3,537	14,898	20,912
Increase in joint venture	253,551	-	253,551	-
Loss on disposal of capital assets	-	-	-	(1,702)
Other income	61,970	1,584	63,554	169,806
Food and beverage tax	-	713,530	713,530	-
Total non-operating revenues (expenses)	326,882	718,651	1,045,533	189,016
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	4,304,850	399,477	4,704,327	1,219,059
TRANSFERS				
Transfers in	2,500,000	4,650,000	7,150,000	3,200,000
Transfers (out)	-	(500,000)	(500,000)	-
Total transfers	2,500,000	4,150,000	6,650,000	3,200,000
CONTRIBUTIONS	3,102,920	-	3,102,920	-
CHANGE IN NET POSITION	9,907,770	4,549,477	14,457,247	4,419,059
NET POSITION, JANUARY 1	54,778,747	6,314,287	61,093,034	32,170,961
Prior period adjustment	(576,947)	(22,983)	(599,930)	(33,874)
NET POSITION, JANUARY 1, AS RESTATED	54,201,800	6,291,304	60,493,104	32,137,087
NET POSITION, DECEMBER 31	\$ 64,109,570	\$ 10,840,781	\$ 74,950,351	\$ 36,556,146

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 21,491,812	\$ 2,018,378	\$ 23,510,190	\$ 2,437,774
Payments for internal services	(1,821,541)	-	(1,821,541)	19,695,149
Payments to suppliers	(8,722,217)	(2,177,197)	(10,899,414)	(17,018,627)
Payments to employees	(6,612,345)	(143,759)	(6,756,104)	(2,784,360)
Net cash from operating activities	4,335,709	(302,578)	4,033,131	2,329,936
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	2,500,000	4,650,000	7,150,000	3,200,000
Transfers (out)	-	(500,000)	(500,000)	-
Food and beverage tax receipts	-	713,530	713,530	-
Net cash from noncapital financing activities	2,500,000	4,863,530	7,363,530	3,200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(3,430,558)	-	(3,430,558)	(1,080,348)
Net cash from capital and related financing activities	(3,430,558)	-	(3,430,558)	(1,080,348)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	11,361	3,350	14,711	19,758
Net cash from investing activities	11,361	3,350	14,711	19,758
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,416,512	4,564,302	7,980,814	4,469,346
CASH AND CASH EQUIVALENTS, JANUARY 1	6,975,151	4,290,135	11,265,286	26,779,289
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 10,391,663	\$ 8,854,437	\$ 19,246,100	\$ 31,248,635

(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, 2021

	Business-Type Activities			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 3,977,968	\$ (319,174)	\$ 3,658,794	\$ 1,030,043
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization	1,623,218	60,673	1,683,891	1,474,531
Other income	61,970	1,584	63,554	169,806
Change in assets and liabilities				
Receivables	(457,201)	(54,139)	(511,340)	(95,368)
Prepaid expenses	-	(6,599)	(6,599)	30,401
Inventories	3,640	-	3,640	(42,168)
Accounts payable	88,343	-	88,343	(205,049)
Accrued payroll	32,898	15,077	47,975	6,509
Unearned revenue	-	-	-	95,368
Compensated absences payable	(38,294)	-	(38,294)	(25,557)
IMRF items	(945,314)	-	(945,314)	-
OPEB items	(11,519)	-	(11,519)	11,517
Claims payable	-	-	-	(120,097)
NET CASH FROM OPERATING ACTIVITIES	\$ 4,335,709	\$ (302,578)	\$ 4,033,131	\$ 2,329,936
NONCASH TRANSACTIONS				
Investment in joint venture	\$ 253,551	\$ -	\$ 253,551	\$ -
Contributions of capital assets	3,102,920	-	3,102,920	-
Total noncash transactions	\$ 3,356,471	\$ -	\$ 3,356,471	\$ -

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2021

	Pension Trust
ASSETS	
Cash and cash equivalents	\$ 29,738,989
Investments	
U.S. Government and agency obligations	48,260,860
Equity securities	108,150,567
REIT	18,788,299
Mutual funds	83,511,242
Corporate bonds	44,167,704
Municipal bonds	2,040,214
Receivables	
Accrued interest	485,129
Other	16,078
	<u>335,159,082</u>
Total assets	
	<u>335,159,082</u>
LIABILITIES	
Accounts payable	20,000
Other payables	3,686
	<u>23,686</u>
Total liabilities	
	<u>23,686</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 335,135,396</u></u>

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2021

ADDITIONS

Contributions

Employer	\$ 8,986,000
Participants	2,292,267
Other	<u>624,965</u>

Total contributions	<u>11,903,232</u>
---------------------	-------------------

Investment income

Net appreciation in fair value of investments	36,773,976
Interest income	<u>5,429,939</u>

Subtotal	42,203,915
----------	------------

Less investment expense	<u>(632,673)</u>
-------------------------	------------------

Net investment income	<u>41,571,242</u>
-----------------------	-------------------

Total additions	<u>53,474,474</u>
-----------------	-------------------

DEDUCTIONS

Administrative	125,903
Pension benefits and refunds	<u>17,571,665</u>

Total deductions	<u>17,697,568</u>
------------------	-------------------

NET INCREASE	35,776,906
--------------	------------

**NET POSITION RESTRICTED FOR
PENSION BENEFITS**

January 1	<u>299,358,490</u>
-----------	--------------------

December 31	<u><u>\$ 335,135,396</u></u>
-------------	------------------------------

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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.

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 2021 attached as an enforceable lien on January 1, 2021, 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, 2022 and August 1, 2022 and are payable in two installments, on or about March 1, 2022 and September 1, 2022. 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 2021 levy is intended to fund the 2022 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 \$25,000 (with the exception of \$10,000 vehicles) 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, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	\$ 1,892,000	\$ 1,240,000	\$ 652,000	\$ -	\$ -
U.S. Treasury bonds	219,966	219,966	-	-	-
TOTAL	\$ 2,111,966	\$ 1,459,966	\$ 652,000	\$ -	\$ -

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, 2021: U.S. Treasury obligations are measured using quoted process in active markets for identical assets (Level 1 inputs). The negotiable certificates of deposit are measured at fair value using quoted matrix pricing models (Level 2 inputs).

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by prequalifying the financial institution, intermediaries and advisors with which the Village will conduct business, and diversifying the investment portfolio so that potential losses on individual investments will be minimized. The Illinois Funds and IMET are rated AAA. The investment negotiable certificates of deposit and 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, 2021:

GOVERNMENTAL ACTIVITIES

Municipal sales tax	\$ 4,036,478
Home rule sales tax	2,262,462
Other taxes	1,516,139
Motor fuel tax	<u>279,275</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 8,094,354</u>
--------------------------------------	----------------------------

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

GOVERNMENTAL ACTIVITIES

Franchise fees	\$ 343,400
Utility taxes	494,516
Grants	53,785
Zero interest loans	166,494
Stormwater	202,355
IRMA	359,026
Miscellaneous	<u>662,931</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 2,282,507</u>
--------------------------------------	----------------------------

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 11,875,272	\$ 525,000	\$ -	\$ 12,400,272
Land right of way	84,544,266	389,550	-	84,933,816
Construction in progress	288,752	-	288,752	-
Total capital assets not being depreciated	96,708,290	914,550	288,752	97,334,088
Capital assets being depreciated				
Buildings and improvements	125,895,562	-	-	125,895,562
Machinery, equipment, and vehicles	24,870,510	1,080,348	-	25,950,858
Infrastructure	74,486,298	7,804,028	-	82,290,326
Total capital assets being depreciated	225,252,370	8,884,376	-	234,136,746
Less accumulated depreciation for				
Buildings and improvements	51,840,425	3,084,716	-	54,925,141
Machinery, equipment, and vehicles	16,062,216	1,815,845	-	17,878,061
Infrastructure	47,014,678	1,135,862	-	48,150,540
Total accumulated depreciation	114,917,319	6,036,423	-	120,953,742
Total capital assets being depreciated, net	110,335,051	2,847,953	-	113,183,004
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 207,043,341	\$ 3,762,503	\$ 288,752	\$ 210,517,092

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 596,145
Public safety	1,171,016
Highways and streets	2,279,943
Community development	396,929
Health and welfare	117,859
Internal service	1,474,531
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 6,036,423</u>

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,926,027	\$ -	\$ -	\$ 2,926,027
Total capital assets not being depreciated	2,926,027	-	-	2,926,027
Capital assets being depreciated				
Buildings and improvements	19,094,219	-	-	19,094,219
Machinery and equipment	6,320,970	99,913	-	6,420,883
Underground systems	85,683,173	6,433,565	-	92,116,738
Total capital assets being depreciated	111,098,362	6,533,478	-	117,631,840
Less accumulated depreciation for				
Buildings and improvements	11,186,274	381,156	-	11,567,430
Machinery and equipment	4,199,073	280,012	-	4,479,085
Underground systems	66,721,434	987,723	-	67,709,157
Total accumulated depreciation	82,106,781	1,648,891	-	83,755,672
Total capital assets being depreciated, net	28,991,581	4,884,587	-	33,876,168
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 31,917,608	\$ 4,884,587	\$ -	\$ 36,802,195

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

BUSINESS-TYPE ACTIVITIES	
Water and sewer	\$ 1,588,218
Arts, entertainment, and events	60,673
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 1,648,891

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, 2021, was \$1,642,548.

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, 2019	\$ 1,530,847	\$ 56,600	\$ 230,010	\$ 1,817,457
Claims incurred - 2020	-	-	-	-
Claims payments - 2020	(30,536)	(20,754)	(3,522)	(54,812)
UNPAID CLAIMS, DECEMBER 31, 2020	1,500,311	35,846	226,488	1,762,645
Claims incurred - 2021	-	-	-	-
Claims payments - 2021	(93,502)	(18,632)	(7,963)	(120,097)
UNPAID CLAIMS, DECEMBER 31, 2021	\$ 1,406,809	\$ 17,214	\$ 218,525	\$ 1,642,548

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%	\$ 1,978,724	\$ 8,825	\$ 113,496	\$ 5,711	\$ 1,868,342

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, 2021:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
GOVERNMENTAL ACTIVITIES						
\$2,855,000 General Obligation Refunding Bonds, Series 2010, due in annual installments of \$20,000 to \$280,000 with interest at 1.50% to 3.25%. The last payment is due December 1, 2022.	Debt Service	\$ 550,000	\$ -	\$ 270,000	\$ 280,000	\$ 280,000

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
GOVERNMENTAL ACTIVITIES (Continued)						
\$9,670,000 General Obligation Refunding Bonds, Series 2012A, due in annual installments of \$85,000 to \$2,145,000 with interest at 2%. The last payment is due December 1, 2022.	Debt Service	\$ 3,520,000	\$ -	\$ 2,145,000	\$ 1,375,000	\$ 1,375,000
\$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	29,350,000	-	1,585,000	27,765,000	1,595,000
\$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	8,960,000	-	345,000	8,615,000	360,000
\$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	640,000
\$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	-	730,000	10,920,000	1,085,000
TOTAL GOVERNMENTAL ACTIVITIES		\$ 62,015,000	\$ -	\$ 5,075,000	\$ 56,940,000	\$ 5,335,000

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 2021:

	Debt Retired by	Balances January 1	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
General obligation bonds	Debt Service	\$ 62,015,000	\$ -	\$ 5,075,000	\$ 56,940,000	\$ 5,335,000
Unamortized bond premium		5,117,280	-	557,690	4,559,590	-
Compensated absences	General/Internal Service	2,124,570	170,829	424,914	1,870,485	374,097
Total OPEB liability	General/Internal Service	26,458,635	819,713	-	27,278,348	1,021,087
Net pension liability - IMRF	General	8,438,239	-	8,403,701	34,538	-
Net pension liability - Police Pension	General	19,076,868	-	5,311,199	13,765,669	-
Net pension liability - Firefighters' Pension	General	27,674,751	2,405,060	-	30,079,811	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 150,905,343	\$ 3,395,602	\$ 19,772,504	\$ 134,528,441	\$ 6,730,184
BUSINESS-TYPE ACTIVITIES						
Compensated absences	Water and Sewer	\$ 261,003	\$ 13,906	\$ 52,200	\$ 222,709	\$ 44,542
Net pension liability - IMRF	Water and Sewer	2,460,494	-	2,450,423	10,071	-
Total OPEB liability	Water and Sewer	901,035	-	42,508	858,527	32,136
Asset retirement obligation	Water and Sewer	1,050,000	-	-	1,050,000	-
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 4,672,532	\$ 13,906	\$ 2,545,131	\$ 2,141,307	\$ 76,678

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
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
TOTAL	\$ 56,940,000	\$ 15,232,863

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 \$945,000 in deferred outflows as of December 31, 2021.

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 \$228,022 for the fiscal year ended December 31, 2021.

The Village has entered into various economic incentive agreements with companies to rebate sales taxes. As of December 31, 2021, 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, 2021, was \$593,412. A total of \$3,420,465 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>
2022	\$ 3,862,413
2023	3,958,974
2024	4,057,948
2025	4,159,396
2026	4,263,381
2027	4,369,966

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>
2022	\$ 1,410,213
2023	1,434,992
2024	1,463,241
2025	1,536,276
2026	1,794,296

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.

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 \$1,615,341 to SWANCC for the year ended December 31, 2021. The payments have been recorded in the Solid Waste Fund. The Village does not have an equity interest in SWANCC at December 31, 2021.

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 \$4,013,462 to NWWC for the year ended December 31, 2021. The Village has an equity interest in NWWC in the amount of \$18,174,601 as of December 31, 2021.

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)	\$ 200,001
TOTAL		\$ 200,001

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

- \$200,001 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, 2021 were as follows:

	Transfers In	Transfers Out
General		
Capital projects	\$ -	\$ 1,980,000
Internal service	-	1,200,000
Nonmajor governmental	-	370,000
Nonmajor enterprise	200,000	4,000,000
Total General	200,000	7,550,000

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	\$ 692,100	\$ -
Total Debt Service	692,100	-
Capital Projects		
General	1,980,000	-
Water and sewer	-	2,500,000
Nonmajor governmental	171,461	-
Nonmajor enterprise	300,000	-
Total Capital Projects	2,451,461	2,500,000
Water and Sewer		
Capital projects	2,500,000	-
Total Waterworks and Sewerage	2,500,000	-
Nonmajor Governmental		
General	370,000	-
Capital projects	-	171,461
Debt service	-	692,100
Internal service	-	2,000,000
Nonmajor governmental	580,000	580,000
Nonmajor enterprise	-	650,000
Total Nonmajor Governmental	950,000	4,093,561
Nonmajor Enterprise		
General	4,000,000	200,000
Capital projects	-	300,000
Nonmajor governmental	650,000	-
Total Nonmajor Enterprise	4,650,000	500,000
Internal Service		
General	1,200,000	-
Nonmajor governmental	2,000,000	-
Total Internal Service	3,200,000	-
TOTAL	\$ 14,643,561	\$ 14,643,561

12. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$692,100 transferred to the Debt Service Fund from the Nonmajor Governmental Fund (Storm Water Control) for bond payments. This transfer will not be repaid.
- \$2,500,000 transferred to the Water and Sewer Fund from the Capital Projects Fund to fund water main projects. This transfer will not be repaid.
- \$1,980,000 transferred to the Capital Projects Fund from the General Fund to fund capital projects. This transfer will not be repaid.
- \$4,000,000 transferred to the Nonmajor Enterprise Fund (Lead Service Line Replacement Fund) from the General Fund to fund lead service line replacement projects. This transfer will not be repaid.

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2020 (most recent data available), 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>
 TOTAL	 <u><u>498</u></u>
 Participating employers	 <u><u>1</u></u>

d. Total OPEB Liability

The Village's total OPEB liability of \$28,136,875 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2021 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2021, including updating the discount rate at December 31, 2021, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Fair value
Salary Increases	3.00%
Discount rate	1.84%
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.

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2021	<u>\$ 27,359,670</u>
Changes for the period	
Service cost	787,662
Interest	536,660
Benefit changes	-
Differences between expected and actual experience	-
Assumption changes*	506,106
Benefit payments	<u>(1,053,223)</u>
Net changes	<u>777,205</u>
BALANCES AT DECEMBER 31, 2021	<u><u>\$ 28,136,875</u></u>

*There were changes in assumptions related to the discount rate in 2021.

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 1.84% 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 (0.84%) or 1 percentage point higher (2.84%) than the current rate:

	1% Decrease (0.84%)	Current Discount Rate (1.84%)	1% Increase (2.84%)
Total OPEB liability	\$ 31,724,827	\$ 28,136,875	\$ 25,159,098

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

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	\$ 24,700,124	\$ 28,136,875	\$ 32,345,971

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

For the year ended December 31, 2021, the Village recognized OPEB expense of \$2,193,788. At December 31, 2021, 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	\$ 1,657,471	\$ 2,686,000
Changes in assumptions	4,490,051	506,531
TOTAL	\$ 6,147,522	\$ 3,192,531

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

Year Ending December 31,	
2022	\$ 869,465
2023	869,465
2024	869,465
2025	514,444
2026	(38,187)
Thereafter	(129,661)
TOTAL	\$ 2,954,991

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

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. 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, 2021:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability	\$ 44,609	\$ 13,765,669	\$ 30,079,811	\$ 43,890,089
Deferred outflows of resources	5,247,254	11,740,573	7,227,501	24,215,328
Deferred inflows of resources	12,601,310	22,651,268	11,824,904	47,077,482
Pension expense (income)	(1,634,910)	(2,559,438)	1,065,562	(3,128,786)

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.

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)

Plan Membership

At December 31, 2020, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	505
Inactive employees entitled to but not yet receiving benefits	215
Active employees	<u>372</u>
 TOTAL	 <u><u>1,092</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.

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.

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)

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, 2021, was 10.40% of covered payroll. The actual employer contribution rate for the year ended December 31, 2021 was 12.72% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2020 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, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Fair value

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2020, was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2020	\$ 195,787,640	\$ 181,028,784	\$ 14,758,856
Changes for the period			
Service cost	2,768,600	-	2,768,600
Interest	13,898,960	-	13,898,960
Difference between expected and actual experience	2,412,173	-	2,412,173
Changes in assumptions	(1,775,843)	-	(1,775,843)
Employer contributions	-	3,502,858	(3,502,858)
Employee contributions	-	1,314,647	(1,314,647)
Net investment income	-	25,886,710	(25,886,710)
Benefit payments and refunds	(10,924,301)	(10,924,301)	-
Other (net transfer)	-	1,298,122	(1,298,122)
Net changes	6,379,589	21,078,036	(14,698,447)
BALANCES AT DECEMBER 31, 2020	\$ 202,167,229	\$ 202,106,820	\$ 60,409

There was a change in assumptions related to the inflation rate, salary increases, and mortality rates in 2020.

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)

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, 2020 the employer contributions, and the net pension liability at December 31, 2020, were \$10,898,733, \$2,856,861, and \$44,609, respectively. The Library's collective shares of the net pension liability at January 1, 2020, the employer contributions, and the net pension liability at December 31, 2020, were \$3,860,123, \$645,997, and \$15,800, respectively.

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

For the year ended December 31, 2021, the Village recognized pension income of \$1,634,910.

At December 31, 2021, 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	\$ 2,162,332	\$ -
Changes in assumption	515,711	935,237
Net difference between projected and actual earnings on pension plan investments	-	11,666,073
Employer contributions subsequent to the measurement date	2,569,211	-
	<hr/>	<hr/>
TOTAL	<u>\$ 5,247,254</u>	<u>\$ 12,601,310</u>

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 (Continued)

\$2,569,211 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, 2022. 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</u> <u>December 31,</u>	
2022	\$ (2,431,324)
2023	(994,896)
2024	(4,586,457)
2025	<u>(1,910,590)</u>
 TOTAL	 <u><u>\$ (9,923,267)</u></u>

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)	\$ 17,117,164	\$ 44,609	\$(13,722,847)
Net pension liability (asset) (Library)	<u>6,062,571</u>	<u>15,800</u>	<u>(4,860,369)</u>
Net pension liability (asset) (Total)	<u>\$ 23,179,735</u>	<u>\$ 60,409</u>	<u>\$(18,583,216)</u>

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2021, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	123
Inactive plan members entitled to but not yet receiving benefits	8
Active plan members	<u>105</u>
TOTAL	<u><u>236</u></u>

Benefits Provided

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

14. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the 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.

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, 2021, the Village's contribution was 34.71% of covered payroll.

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

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, 2021.

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%	(0.20%) to 1.60%
Domestic equities	5% to 52%	1.80% to 2.10%
International equities	5%	4.20% to 4.60%
Real estate	3%	3.40%
Cash and cash equivalents	0%	0.30%

14. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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, 2021, 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.

Investment Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.60%. 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)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 26,483,506	\$ 3,692,291	\$ 12,427,706	\$ 10,363,509	\$ -
U.S. agency obligations	1,399,368	-	956,906	201,848	240,614
Corporate bonds	21,413,432	786,473	13,763,148	6,273,124	590,687
Municipal bonds	1,043,309	-	920,946	-	122,363
TOTAL	\$ 50,339,615	\$ 4,478,764	\$ 28,068,706	\$ 16,838,481	\$ 953,664

The Fund has the following recurring fair value measurements as of December 31, 2021: 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.

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 are 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.

14. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police 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 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, 2021 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, 2021	\$ 182,236,547	\$ 163,159,679	\$ 19,076,868
Changes for the period			
Service cost	2,907,221	-	2,907,221
Interest	11,947,829	-	11,947,829
Difference between expected and actual experience	3,979,655	-	3,979,655
Changes in assumptions	8,179,515	-	8,179,515
Changes in benefit terms	-	-	-
Employer contributions	-	4,073,000	(4,073,000)
Employee contributions	-	1,146,864	(1,146,864)
Other contributions	-	530,584	(530,584)
Net investment income	-	26,574,971	(26,574,971)
Benefit payments and refunds	(9,658,478)	(9,658,478)	-
Administrative expense	(52,684)	(52,684)	-
Net changes	17,303,058	22,614,257	(5,311,199)
BALANCES AT DECEMBER 31, 2021	\$ 199,539,605	\$ 185,773,936	\$ 13,765,669

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

As of December 31, 2021, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 93.10%.

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, 2021
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 PubS-2010 Base Rates projected to 2022 with Scale MP2021.

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)	\$ 41,279,298	\$ 13,765,669	\$ (8,778,308)

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, 2021, the Village recognized pension income of \$2,559,438. At December 31, 2021, 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	\$ 4,597,663	\$ 777,906
Changes in assumptions	7,142,910	59,379
Net difference between projected and actual earnings on pension plan investments	-	21,813,983
TOTAL	\$ 11,740,573	\$ 22,651,268

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>	
2022	\$ (2,883,646)
2023	(5,530,159)
2024	(2,237,121)
2025	(819,109)
2026	559,340
Thereafter	-
TOTAL	\$ (10,910,695)

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, 2021, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	107
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>106</u>
TOTAL	<u>217</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 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% 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, 2021, the Village's contribution was 40.49% 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, 2021.

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%	1.90%
US Equities	22.00% to 38.00%	30.00%	7.20%
Real Estate	7.50% to 15.00%	12.50%	6.50%
Cash and Cash Equivalents	0.00% to 5.00%	3.00%	0.20%

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, 2021, 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.28%. 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, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 12,697,041	\$ -	\$ 7,757,885	\$ 4,939,156	\$ -
U.S. agency obligations	7,680,945	555,019	2,580,632	1,996,913	2,548,381
Corporate bonds	22,754,272	1,612,789	16,326,494	4,814,989	-
Municipal bonds	996,905	489,657	507,248	-	-
TOTAL	\$ 44,129,163	\$ 2,657,465	\$ 27,172,259	\$ 11,751,058	\$ 2,548,381

The Fund has the following recurring fair value measurements as of December 31, 2021: 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, 2021, 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, 2021	\$ 163,873,562	\$ 136,198,811	\$ 27,674,751
Changes for the period			
Service cost	3,758,807	-	3,758,807
Interest	10,772,140	-	10,772,140
Difference between expected and actual experience	780,407	-	780,407
Changes in assumptions	8,242,761	-	8,242,761
Changes in benefit terms	-	-	-
Employer contributions	-	4,913,000	(4,913,000)
Employee contributions	-	1,145,403	(1,145,403)
Other contributions	-	94,381	(94,381)
Net investment income	-	14,996,271	(14,996,271)
Benefit payments and refunds	(7,913,187)	(7,913,187)	-
Administrative expense	(73,219)	(73,219)	-
Net changes	15,567,709	13,162,649	2,405,060
BALANCES AT DECEMBER 31, 2021	\$ 179,441,271	\$ 149,361,460	\$ 30,079,811

There were changes in mortality rates from the prior year.

As of December 31, 2021, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 83.24%.

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, 2021
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 PubS-2010 base rates projected to 2022 with Scale MP2021.

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	\$ 54,113,099	\$ 30,079,811	\$ 10,242,819

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, 2021, the Village recognized pension expense of \$1,065,562. At December 31, 2021, 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	\$ 620,004	\$ 1,854,255
Changes in assumption	6,607,497	306,537
Net difference between projected and actual earnings on pension plan investments	-	9,664,112
TOTAL	\$ 7,227,501	\$ 11,824,904

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,	
2022	\$ (1,222,731)
2023	(3,113,856)
2024	(692,648)
2025	431,832
2026	-
Thereafter	-
TOTAL	\$ (4,597,403)

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
ASSETS			
Cash and cash equivalents	\$ 13,269,179	\$ 16,469,810	\$ 29,738,989
Investments			
U.S. Government and			
U.S. agency obligations	27,882,874	20,377,986	48,260,860
Equity securities	38,430,451	69,720,116	108,150,567
REIT	-	18,788,299	18,788,299
Mutual funds	83,511,242	-	83,511,242
Corporate bonds	21,413,432	22,754,272	44,167,704
Municipal bonds	1,043,309	996,905	2,040,214
Receivables			
Accrued interest	231,057	254,072	485,129
Other	16,078	-	16,078
Total assets	185,797,622	149,361,460	335,159,082
LIABILITIES			
Accounts payable	20,000	-	20,000
Deferred revenue	3,686	-	3,686
Total liabilities	23,686	-	23,686
NET POSITION	\$ 185,773,936	\$ 149,361,460	\$ 335,135,396

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
ADDITIONS			
Contributions			
Employer	\$ 4,073,000	\$ 4,913,000	\$ 8,986,000
Employee	1,146,864	1,145,403	2,292,267
Other	530,584	94,381	624,965
Total contributions	5,750,448	6,152,784	11,903,232
Invest income			
Net appreciation in fair value of investments	24,222,162	12,551,814	36,773,976
Interest income	2,737,593	2,692,346	5,429,939
Less investment expense	(384,784)	(247,889)	(632,673)
Net investment income	26,574,971	14,996,271	41,571,242
Total additions	32,325,419	21,149,055	53,474,474
DEDUCTIONS			
Administrative	52,684	73,219	125,903
Pension benefits and refunds	9,658,478	7,913,187	17,571,665
Total deductions	9,711,162	7,986,406	17,697,568
NET INCREASE	22,614,257	13,162,649	35,776,906
NET POSITION RESTRICTED FOR PENSIONS			
January 1	163,159,679	136,198,811	299,358,490
December 31	\$ 185,773,936	\$ 149,361,460	\$ 335,135,396

15. PRIOR PERIOD ADJUSTMENT

The beginning net position of the governmental activities and the business-type activities were restated by \$(393,341) and \$(599,930), respectively, for a change in accounting principle related to a change in the capitalization threshold for capital assets.

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, 2021

	2021		
	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 26,634,600	\$ 26,634,600	\$ 25,944,200
Other taxes	15,269,000	15,269,000	16,028,563
Licenses and permits	4,177,000	4,177,000	4,076,369
Intergovernmental	23,063,000	23,063,000	28,881,446
Grants	346,000	390,050	670,311
Charges for services	15,000	15,000	1,569
Fines and fees	5,759,700	5,759,700	6,446,887
Investment income	370,000	370,000	24,705
Miscellaneous	484,000	484,000	499,091
Total revenues	76,118,300	76,162,350	82,573,141
EXPENDITURES			
Current			
General government	5,160,600	5,160,600	5,215,495
Public safety	51,373,500	51,467,845	50,773,638
Highways and streets	13,363,100	13,424,959	12,484,825
Community development	4,670,900	4,742,380	4,345,909
Health and welfare	2,441,900	2,441,900	2,331,983
Total expenditures	77,010,000	77,237,684	75,151,850
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(891,700)	(1,075,334)	7,421,291
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	200,000	200,000
Transfers (out)	-	(7,550,000)	(7,550,000)
Total other financing sources (uses)	200,000	(7,350,000)	(7,350,000)
NET CHANGE IN FUND BALANCE	\$ (691,700)	\$ (8,425,334)	71,291
FUND BALANCE, JANUARY 1			30,586,974
FUND BALANCE, DECEMBER 31			\$ 30,658,265

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Seven Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018*	2019	2020	2021
Actuarially determined contribution	\$ 3,159,698	\$ 3,257,572	\$ 3,170,250	\$ 2,473,709	\$ 2,023,617	\$ 2,619,117	\$ 2,132,099
Contributions in relation to the actuarially determined contribution	3,159,698	3,257,572	3,170,250	2,473,709	2,023,617	2,619,117	2,132,099
Additional contributions	8,776	-	-	4,069	-	-	437,112
CONTRIBUTION DEFICIENCY (EXCESS)	\$ (8,776)	\$ -	\$ -	\$ (4,069)	\$ -	\$ -	\$ (437,112)
Covered payroll	\$ 24,380,386	\$ 24,924,034	\$ 25,690,842	\$ 19,447,399	\$ 20,055,727	\$ 20,735,143	\$ 20,200,789
Contributions as a percentage of covered payroll	13.00%	13.07%	12.34%	12.74%	10.09%	12.63%	12.72%

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 23 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% 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

FISCAL YEAR ENDED	4/30/2013	4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Actuarially determined contribution	\$ 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	\$ 4,072,578
Contributions in relation to the actuarially determined contribution	4,288,000	4,330,880	4,529,400	4,500,000	4,500,000	3,994,000	5,379,000	4,017,000	4,209,000	4,073,000
CONTRIBUTION DEFICIENCY (EXCESS)	\$ 185	\$ (194,575)	\$ (306,717)	\$ (68,000)	\$ (1,720,275)	\$ (154,039)	\$ (1,500,906)	\$ (176)	\$ (100,517)	\$ (422)
Additional contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,250,000	\$ -
Covered payroll	\$ 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	\$ 11,733,708
Contributions as a percentage of covered payroll	42.59%	43.57%	45.57%	43.34%	41.97%	36.58%	48.23%	35.50%	37.66%	34.71%

Notes to the required supplementary information

Actuarial cost method	Entry-age normal
Amortization method	Level % of pay (closed)
Remaining amortization period	19 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	PubS-2010 base rates projected to 2022 with Scale MP2021

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2013	4/30/2014	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Actuarially determined contribution	\$ 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	\$ 4,912,161
Contributions in relation to the actuarially determined contribution	4,566,780	4,701,000	5,007,300	5,057,400	5,100,000	4,889,000	6,353,000	4,953,000	5,130,000	4,913,000
CONTRIBUTION DEFICIENCY (EXCESS)	\$ 7,760	\$ (112,021)	\$ (236,068)	\$ (2,022)	\$ (1,864,016)	\$ (154,276)	\$ (1,500,353)	\$ (993)	\$ (99,890)	\$ (839)
Additional contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 1,250,000	\$ -
Covered payroll	\$ 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	\$ 12,133,125
Contributions as a percentage of covered payroll	46.72%	46.90%	49.96%	47.63%	48.01%	44.96%	54.64%	43.90%	43.29%	40.49%

Notes to the required supplementary information

Actuarial cost method	Entry-age normal
Amortization method	Level % of pay (closed)
Remaining amortization period	19 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	PubS-2010 base rates projected to 2022 with Scale MP2021

(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 Eight Fiscal Years

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
TOTAL PENSION LIABILITY								
Service cost	\$ 3,248,450	\$ 1,989,231	\$ 2,940,458	\$ 2,941,583	\$ 2,931,782	\$ 3,057,662	\$ 3,224,894	\$ 2,907,221
Interest	9,147,568	6,520,521	9,907,311	10,273,549	10,728,873	11,029,601	11,492,531	11,947,829
Changes in benefit terms	-	-	-	-	-	(15,185)	-	-
Differences between expected and actual experience	325,542	(1,044,681)	(1,217,235)	495,807	(3,899,982)	1,459,100	1,302,495	3,979,655
Changes of assumptions	3,089,627	-	236,267	(712,451)	2,333,982	(107,864)	98,722	8,179,515
Benefit payments, including refunds and member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)	(8,919,945)	(9,658,478)
Administrative expense	-	-	-	-	-	(37,141)	(53,509)	(52,684)
Net change in total pension liability	10,389,616	3,629,697	5,813,055	6,391,367	4,957,774	7,321,504	7,145,188	17,303,058
Total pension liability - beginning	136,588,346	146,977,962	150,607,659	156,420,714	162,812,081	167,769,855	175,091,359	182,236,547
TOTAL PENSION LIABILITY - ENDING	\$ 146,977,962	\$ 150,607,659	\$ 156,420,714	\$ 162,812,081	\$ 167,769,855	\$ 175,091,359	\$ 182,236,547	\$ 199,539,605
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 4,529,400	\$ 4,500,000	\$ 4,500,000	\$ 3,994,000	\$ 5,379,000	\$ 5,267,000	\$ 4,209,000	\$ 4,073,000
Contributions - member	986,380	691,981	1,036,023	1,151,412	1,144,554	1,304,981	1,210,559	1,146,864
Contributions - other	276,199	4,776	355,856	1,127	11,828	5,650	748	530,584
Net investment income	7,837,174	(1,016,522)	6,685,207	17,098,096	(6,034,752)	26,104,148	18,366,519	26,574,971
Benefit payments, including refunds of member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)	(8,919,945)	(9,658,478)
Administrative expense	(32,090)	(27,218)	(37,365)	(43,276)	(34,640)	(37,166)	(53,509)	(52,684)
Net change in plan fiduciary net position	8,175,492	317,643	6,485,975	15,594,238	(6,670,891)	24,579,944	14,813,372	22,614,257
Plan fiduciary net position - beginning	99,863,906	108,039,398	108,357,041	114,843,016	130,437,254	123,766,363	148,346,307	163,159,679
PLAN FIDUCIARY NET POSITION - ENDING	\$ 108,039,398	\$ 108,357,041	\$ 114,843,016	\$ 130,437,254	\$ 123,766,363	\$ 148,346,307	\$ 163,159,679	\$ 185,773,936
EMPLOYER'S NET PENSION LIABILITY	\$ 38,938,564	\$ 42,250,618	\$ 41,577,698	\$ 32,374,827	\$ 44,003,492	\$ 26,745,052	\$ 19,076,868	\$ 13,765,669

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Plan fiduciary net position as a percentage of the total pension liability	73.51%	71.95%	73.42%	80.12%	73.77%	84.73%	89.53%	93.10%
Covered payroll	\$ 9,938,967	\$ 10,381,979	\$ 10,722,080	\$ 10,917,682	\$ 11,153,797	\$ 11,316,038	\$ 11,175,270	\$ 11,733,708
Employer's net pension liability as a percentage of covered payroll	391.80%	407.00%	387.80%	296.50%	394.50%	236.30%	170.70%	117.30%

Notes to Required Supplementary Information

Year Ended December 31, 2021 - There were change in mortality rates from the prior year.

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.

(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 Eight Fiscal Years

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
TOTAL PENSION LIABILITY								
Service cost	\$ 3,320,273	\$ 2,190,940	\$ 3,459,315	\$ 3,419,246	\$ 3,524,860	\$ 3,677,732	\$ 3,703,881	\$ 3,758,807
Investment income	8,688,821	6,058,901	9,234,329	9,618,402	9,793,838	10,133,648	10,454,457	10,772,140
Changes in benefit terms	-	-	-	-	-	(140,839)	-	-
Differences between expected and actual experience	(1,433,511)	1,574	(1,336,382)	(2,422,578)	(843,543)	(1,350,024)	(1,740,361)	780,407
Changes of assumptions	2,059,344	-	228,889	(1,287,282)	(832,861)	(113,594)	99,604	8,242,761
Benefit payments, including refunds and member contributions	(5,795,896)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)	(7,617,823)	(7,913,187)
Administrative expense	-	-	-	-	-	(28,405)	(28,116)	(73,219)
Net change in total pension liability	6,839,031	4,304,996	5,363,456	2,775,236	4,810,079	4,968,241	4,871,642	15,567,709
Total pension liability - beginning	129,940,881	136,779,912	141,084,908	146,448,364	149,223,600	154,033,679	159,001,920	163,873,562
TOTAL PENSION LIABILITY - ENDING	\$ 136,779,912	\$ 141,084,908	\$ 146,448,364	\$ 149,223,600	\$ 154,033,679	\$ 159,001,920	\$ 163,873,562	\$ 179,441,271
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 5,007,300	\$ 5,057,400	\$ 5,100,000	\$ 4,889,000	\$ 6,353,000	\$ 6,203,000	\$ 5,130,000	\$ 4,913,000
Contributions - member	967,685	689,993	989,862	1,021,422	1,065,390	1,097,478	1,141,126	1,145,403
Contributions - other	1,451	21,628	20	5,406	641	1,299	6,208	94,381
Net investment income	6,263,908	(2,559,246)	6,915,387	12,680,482	(3,662,611)	17,090,656	13,683,719	14,996,271
Benefit payments, including refunds of member contributions	(5,795,897)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)	(7,617,823)	(7,913,187)
Administrative expense	(35,679)	(62,395)	(62,158)	(27,283)	(28,953)	(28,405)	(28,116)	(73,219)
Net change in plan fiduciary net position	6,408,768	(799,039)	6,720,416	12,016,475	(3,104,748)	17,153,751	12,315,114	13,162,649
Plan fiduciary net position - beginning	85,488,074	91,896,842	91,097,803	97,818,219	109,834,694	106,729,946	123,883,697	136,198,811
PLAN FIDUCIARY NET POSITION - ENDING	\$ 91,896,842	\$ 91,097,803	\$ 97,818,219	\$ 109,834,694	\$ 106,729,946	\$ 123,883,697	\$ 136,198,811	\$ 149,361,460
EMPLOYER'S NET PENSION LIABILITY	\$ 44,883,070	\$ 49,987,105	\$ 48,630,145	\$ 39,388,906	\$ 47,303,733	\$ 35,118,223	\$ 27,674,751	\$ 30,079,811

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Plan fiduciary net position as a percentage of the total pension liability	67.19%	64.57%	66.79%	73.60%	69.29%	77.91%	83.11%	83.24%
Covered payroll	\$ 10,022,659	\$ 10,617,314	\$ 10,623,394	\$ 10,874,876	\$ 11,626,566	\$ 11,281,241	\$ 11,851,132	\$ 12,133,125
Employer's net pension liability as a percentage of covered payroll	447.80%	470.80%	457.80%	362.20%	406.90%	311.30%	233.50%	247.90%

Notes to Required Supplementary Information

Year Ended December 31, 2021 - There were change in mortality rates from the prior year.

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 rates.

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

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

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

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Seven Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020
Employer's proportion of net pension liability	73.85%	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	\$ 44,609
Employer's covered payroll	18,004,915	18,148,759	18,553,451	19,122,774	19,447,399	20,055,727	20,735,143
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%	0.22%
Plan fiduciary net position as a percentage of the total pension liability	90.96%	86.40%	86.35%	97.10%	83.82%	92.46%	99.97%

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

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

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021
TOTAL OPEB LIABILITY				
Service cost	\$ 650,191	\$ 570,040	\$ 741,577	\$ 787,662
Interest	726,304	983,165	779,169	536,660
Benefit changes	-	-	(866,236)	-
Changes in assumptions	(1,191,261)	3,921,667	2,213,789	506,106
Differences between expected and actual experience	3,749,195	-	(3,274,902)	-
Implicit benefit payments	(1,028,719)	(1,107,830)	(1,134,306)	(1,053,223)
Net change in total OPEB liability	2,905,710	4,367,042	(1,540,909)	777,205
Total OPEB liability - beginning	21,627,827	24,533,537	28,900,579	27,359,670
TOTAL OPEB LIABILITY - ENDING	\$ 24,533,537	\$ 28,900,579	\$ 27,359,670	\$ 28,136,875
Covered-employee payroll	\$ 44,727,544	\$ 41,876,464	\$ 41,370,995	\$ 42,612,126
Employer's total OPEB liability as a percentage of covered payroll	54.85%	69.01%	66.13%	66.03%

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.

There was a change in assumptions related to the discount rate in 2021.

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 Eight Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Annual money-weighted rate of return, net of investment expense	8.06%	(4.74)%	6.28%	14.90%	(5.03)%	21.27%	13.37%	16.60%

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 Eight Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
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, 2021

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. All annual appropriations lapse at fiscal year end.

2. EXPENDITURES EXCEEDED BUDGET

During the year ended December 31, 2021, expenditures exceeded budget in TIF IV Fund by \$35,850.

**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, 2021
(with comparative actual)

	2021	2020
ASSETS		
Cash and investments	\$ 28,142,720	\$ 27,649,781
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	26,167,300	26,634,600
Other taxes	7,249,463	6,842,527
Accrued interest	1,363	-
Other	1,550,030	1,456,886
Due from other funds	200,001	200,002
Prepaid items	181,055	130,818
Inventory	70,602	47,871
TOTAL ASSETS	\$ 63,562,534	\$ 62,962,485
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 2,791,516	\$ 2,055,258
Accrued payroll	1,548,029	1,837,863
Deposits payable	2,372,544	1,839,810
Unearned revenue	24,880	7,980
Total liabilities	6,736,969	5,740,911
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	26,167,300	26,634,600
Total deferred inflows of resources	26,167,300	26,634,600
Total liabilities and deferred inflows of resources	32,904,269	32,375,511
FUND BALANCES		
Nonspendable		
Prepaid items	181,055	130,818
Inventory	70,602	47,871
Unrestricted		
Assigned		
Disabled citizens programs	4,940	5,049
Emergency assistance programs	273,063	239,487
Senior center maintenance	289,000	306,000
Canine unit donation	127,793	127,793
TIF refund	150,000	150,000
Subsequent year budget	-	691,700
Unassigned	29,561,812	28,888,256
Total fund balances	30,658,265	30,586,974
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 63,562,534	\$ 62,962,485

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
TAXES				
Property taxes	\$ 26,634,600	\$ 26,634,600	\$ 25,944,200	\$ 24,563,166
Other taxes				
Hotel tax	975,000	975,000	641,947	408,888
Food/beverage tax	1,780,000	1,780,000	2,139,900	1,577,787
Sales tax - home rule	5,061,000	5,061,000	6,567,847	4,654,737
Telecommunications tax	2,090,000	2,090,000	1,684,735	1,868,788
Natural gas utility tax	2,200,000	2,200,000	2,045,023	2,062,240
Electric utility tax	3,100,000	3,100,000	2,898,554	2,830,115
Other taxes	63,000	63,000	50,557	20,109
Total other taxes	15,269,000	15,269,000	16,028,563	13,422,664
Total taxes	41,903,600	41,903,600	41,972,763	37,985,830
LICENSES AND PERMITS				
Business licenses	650,000	650,000	702,685	623,075
Liquor licenses	425,000	425,000	392,918	245,204
Vehicle licenses	1,430,000	1,430,000	1,395,388	1,237,102
Dog licenses	62,000	62,000	65,659	65,306
Public chauffeur licenses	500	500	40	160
Multi-dwelling licenses	70,000	70,000	86,384	76,448
Revenue suspense OL	-	-	(3,077)	(49,237)
Building permits	1,200,000	1,200,000	1,137,149	920,457
Electrical permits	115,000	115,000	106,777	88,565
Plumbing permits	90,000	90,000	72,880	59,573
Sign permits	13,000	13,000	10,720	12,000
Elevator permits	65,000	65,000	55,139	53,610
Occupancy permits	25,000	25,000	18,540	7,320
Driveway permits	6,000	6,000	-	187
Air conditioner permits	14,000	14,000	22,024	12,423
Swimming pool permits	1,000	1,000	3,707	7,143
Chimney permits	2,000	2,000	1,160	1,900
Wrecking permits	7,500	7,500	5,875	7,625
Other permits	1,000	1,000	2,401	3,165
Total licenses and permits	4,177,000	4,177,000	4,076,369	3,372,026
INTERGOVERNMENTAL				
Shared income tax	7,322,000	7,322,000	9,939,827	8,161,144
Municipal sales tax	12,212,000	12,212,000	15,162,957	12,480,915
State use tax	3,079,000	3,079,000	2,961,695	3,290,912
Replacement tax	450,000	450,000	816,967	470,094
Total intergovernmental	23,063,000	23,063,000	28,881,446	24,403,065

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
GRANTS				
Training reimbursement	\$ 20,000	\$ 20,000	\$ 82,433	\$ 71,645
Task force reimbursement	25,000	25,000	20,256	19,001
Counselor in the park	23,000	23,000	46,000	-
Library services	108,000	129,300	129,267	129,267
Other grants	170,000	192,750	392,355	978,862
Total grants	346,000	390,050	670,311	1,198,775
CHARGES FOR SERVICES				
Escrow deposits	10,000	10,000	1,108	14,060
Guaranteed bonds	5,000	5,000	461	6,761
Total charges for services	15,000	15,000	1,569	20,821
FINES AND FEES				
Traffic court fines	260,000	260,000	308,099	201,138
Parking fines	225,000	225,000	461,131	138,452
Compliance ticket fines	6,000	6,000	162	3,930
Ordinance ticket fines	50,000	50,000	985	50,280
Other fines	5,100	5,100	17,860	1,465
Cable franchise fees	1,500,000	1,500,000	1,389,171	1,381,140
Special PW detail fees	7,900	7,900	2,385	2,878
Plan commission hearings	20,000	20,000	26,825	17,985
Rezoning fees	10,000	10,000	10,810	10,340
Plan exam fees	100,000	100,000	92,158	80,283
Fire plan examination fees	42,000	42,000	52,777	40,570
Engineering service fees	110,000	110,000	241,496	166,062
Ambulance service fees	2,650,000	2,650,000	3,164,776	2,581,259
Special police detail	242,700	242,700	135,908	74,702
Police counselor fees	325,000	325,000	358,821	302,614
Police records fees	10,000	10,000	11,834	11,311
Special fire detail	50,000	50,000	23,380	7,364
False alarm fees	30,000	30,000	11,050	14,650
Chemical user fees	12,000	12,000	13,290	9,990
DUI administration charges	60,000	60,000	75,200	59,600
Weed cutting fees	4,000	4,000	7,369	1,600
Animal detention fees	-	-	100	175
Other fees	40,000	40,000	41,300	26,945
Total fines and fees	5,759,700	5,759,700	6,446,887	5,184,733
INVESTMENT INCOME	370,000	370,000	24,705	159,744

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
MISCELLANEOUS				
Damage claims	\$ 53,000	\$ 53,000	\$ 27,527	\$ 47,397
Equipment sales	5,000	5,000	22,860	29,352
Scrap sales	2,000	2,000	4,628	1,522
Sale of plans bid specs	2,000	2,000	1,065	1,260
Rents and concessions	24,000	24,000	27,212	23,912
Train station rents	10,000	10,000	3,435	2,604
Traffic signal maintenance	34,000	34,000	35,827	31,775
Hearts of gold awards	19,000	19,000	-	13,860
Premium sponsor	-	-	-	7,500
NWCH in lieu of property taxes	256,100	256,100	261,172	248,736
Senior center donations	7,000	7,000	1,129	1,351
Radon testing	-	-	20	10
Disabled citizen donations	100	100	250	947
Sales of printed matter	-	-	88	-
Wellness programs	6,000	6,000	3,856	3,676
Wellness home visits	2,800	2,800	2,477	3,116
Emergency Assistance	23,000	23,000	40,913	29,323
Bad debt recovery	10,000	10,000	19,237	23,311
Lease revenue	-	-	600	-
Other income	30,000	30,000	46,795	35,575
Total miscellaneous	484,000	484,000	499,091	505,227
TOTAL REVENUES	\$ 76,118,300	\$ 76,162,350	\$ 82,573,141	\$ 72,830,221

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**GENERAL FUND****SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Board of Trustees	\$ 172,900	\$ 172,900	\$ 153,955	\$ 164,618
Village Manager	1,062,000	1,062,000	1,025,159	1,029,750
Human resources	435,000	435,000	420,099	390,502
Legal	719,700	744,700	781,389	801,878
Finance	2,568,100	2,543,100	2,676,992	2,359,813
Boards and commissions	202,900	202,900	157,901	168,043
Total general government	5,160,600	5,160,600	5,215,495	4,914,604
PUBLIC SAFETY				
Police	27,273,200	27,335,028	26,408,436	25,771,270
Fire	24,100,300	24,132,817	24,365,202	23,848,142
Total public safety	51,373,500	51,467,845	50,773,638	49,619,412
HIGHWAYS AND STREETS				
Public works	13,363,100	13,424,959	12,484,825	12,246,299
COMMUNITY DEVELOPMENT				
Planning and community development	1,855,600	1,927,080	1,789,744	1,668,986
Building	2,815,300	2,815,300	2,556,165	2,745,590
Total community development	4,670,900	4,742,380	4,345,909	4,414,576
HEALTH AND WELFARE				
Senior services	477,100	477,100	429,050	454,572
Health services	1,964,800	1,964,800	1,902,933	1,822,513
Total health and welfare	2,441,900	2,441,900	2,331,983	2,277,085
TOTAL EXPENDITURES	\$ 77,010,000	\$ 77,237,684	\$ 75,151,850	\$ 73,471,976

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Board of Trustees				
Salaries	\$ 30,900	\$ 30,900	\$ 28,100	\$ 29,733
Fringe benefits	3,500	3,500	3,315	3,449
Contractual services	137,000	137,000	120,970	130,349
Commodities	1,500	1,500	1,570	1,087
Total board of trustees	172,900	172,900	153,955	164,618
Integrated services				
Salaries	726,100	726,100	711,242	714,979
Fringe benefits	246,700	246,700	240,535	233,453
Contractual services	81,300	81,300	68,676	74,680
Commodities	7,900	7,900	4,706	6,638
Total integrated services	1,062,000	1,062,000	1,025,159	1,029,750
Human resources				
Salaries	249,200	249,200	256,343	241,931
Fringe benefits	103,200	103,200	103,716	101,042
Contractual services	57,100	57,100	44,481	43,814
Commodities	2,800	2,800	2,328	3,182
Other charges	22,700	22,700	13,231	533
Total human resources	435,000	435,000	420,099	390,502
Legal				
Salaries	221,400	221,400	224,313	383,413
Fringe benefits	99,400	99,400	99,461	141,435
Contractual services	387,400	412,400	450,059	269,610
Commodities	11,500	11,500	7,556	7,420
Total legal	719,700	744,700	781,389	801,878
Finance				
Salaries	1,021,700	1,021,700	1,001,707	977,774
Fringe benefits	416,000	416,000	411,799	426,453
Contractual services	340,400	340,400	337,869	305,110
Commodities	32,000	32,000	30,011	29,715
Other charges	758,000	733,000	895,606	620,761
Total finance	2,568,100	2,543,100	2,676,992	2,359,813
Boards and commissions				
Contractual services	165,500	165,500	149,106	160,084
Commodities	2,700	2,700	1,395	495
Other charges	34,700	34,700	7,400	7,464
Total boards and commissions	202,900	202,900	157,901	168,043
Total general government	5,160,600	5,160,600	5,215,495	4,914,604

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
PUBLIC SAFETY				
Police				
Salaries	\$ 15,919,600	\$ 15,919,600	\$ 15,122,193	\$ 14,469,366
Fringe benefits	8,286,000	8,286,000	8,233,116	8,382,181
Contractual services	2,592,100	2,614,850	2,590,533	2,527,271
Commodities	475,500	514,578	462,594	392,452
Total police	27,273,200	27,335,028	26,408,436	25,771,270
Fire				
Salaries	13,282,500	13,282,500	13,554,140	13,196,012
Fringe benefits	8,433,600	8,433,600	8,431,881	8,491,871
Contractual services	2,063,200	2,064,630	2,072,196	1,807,549
Commodities	321,000	352,087	306,985	352,710
Total fire	24,100,300	24,132,817	24,365,202	23,848,142
Total public safety	51,373,500	51,467,845	50,773,638	49,619,412
HIGHWAYS AND STREETS				
Public works				
Salaries	5,941,000	5,941,000	5,560,318	5,375,811
Fringe benefits	2,701,900	2,701,900	2,572,442	2,509,131
Contractual services	3,252,700	3,304,887	3,128,175	3,264,013
Commodities	1,467,500	1,477,172	1,223,890	1,097,344
Total highways and streets	13,363,100	13,424,959	12,484,825	12,246,299
COMMUNITY DEVELOPMENT				
Planning and community development				
Salaries	1,119,700	1,119,700	1,116,741	1,089,890
Fringe benefits	453,800	453,800	450,625	434,376
Contractual services	142,500	148,686	114,552	112,157
Commodities	12,600	20,238	6,814	9,598
Other charges	127,000	184,656	101,012	22,965
Total planning and community development	1,855,600	1,927,080	1,789,744	1,668,986
Building services				
Salaries	1,760,500	1,760,500	1,646,646	1,670,972
Fringe benefits	671,500	671,500	647,317	674,127
Contractual services	358,000	358,000	236,618	373,879
Commodities	25,300	25,300	25,584	26,612
Total building services	2,815,300	2,815,300	2,556,165	2,745,590
Total community development	4,670,900	4,742,380	4,345,909	4,414,576

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
HEALTH AND WELFARE				
Senior services				
Salaries	\$ 358,200	\$ 358,200	\$ 325,428	\$ 361,001
Contractual services	91,600	91,600	86,336	82,944
Commodities	27,300	27,300	17,286	10,627
Total senior services	477,100	477,100	429,050	454,572
Health services				
Salaries	1,072,700	1,072,700	1,064,999	1,004,810
Fringe benefits	564,400	564,400	565,731	521,446
Contractual services	207,300	207,300	178,485	182,184
Commodities	44,400	44,400	31,357	34,485
Other charges	76,000	76,000	62,361	79,588
Total health services	1,964,800	1,964,800	1,902,933	1,822,513
Total health and welfare	2,441,900	2,441,900	2,331,983	2,277,085
TOTAL EXPENDITURES	\$ 77,010,000	\$ 77,237,684	\$ 75,151,850	\$ 73,471,976

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 6,498,600	\$ 6,498,600	\$ 6,333,967	\$ 6,578,464
Investment income	47,000	47,000	2,986	29,171
Miscellaneous	287,900	287,900	290,182	285,675
Total revenues	6,833,500	6,833,500	6,627,135	6,893,310
EXPENDITURES				
Debt service				
Principal retirement	5,075,000	5,075,000	5,075,000	5,690,000
Interest and fiscal charges	2,408,600	2,408,600	2,405,333	1,977,545
Total expenditures	7,483,600	7,483,600	7,480,333	7,667,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(650,100)	(650,100)	(853,198)	(774,235)
OTHER FINANCING SOURCES (USES)				
Transfers in	692,100	692,100	692,100	690,300
Total other financing sources (uses)	692,100	692,100	692,100	690,300
NET CHANGE IN FUND BALANCE	<u>\$ 42,000</u>	<u>\$ 42,000</u>	(161,098)	(83,935)
FUND BALANCE, JANUARY 1			2,098,100	2,182,035
FUND BALANCE, DECEMBER 31			<u>\$ 1,937,002</u>	<u>\$ 2,098,100</u>

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes				
Property	\$ 4,400,000	\$ 4,400,000	\$ 4,288,532	\$ 5,408,020
Other	1,645,000	1,645,000	2,189,282	1,551,580
Grants	-	3,386,300	2,948,666	16,484
Investment income	80,000	80,000	23,511	69,871
Miscellaneous	120,000	120,000	260,756	405,737
Total revenues	6,245,000	9,631,300	9,710,747	7,451,692
EXPENDITURES				
Capital outlay				
Contractual services	-	-	-	5,069
Equipment	720,900	796,942	410,408	629,962
Construction	9,211,300	9,925,162	6,265,231	4,451,198
Other expenditures	-	500,000	300,706	-
Debt service				
Issuance costs	-	-	-	136,048
Total expenditures	9,932,200	11,222,104	6,976,345	5,222,277
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,687,200)	(1,590,804)	2,734,402	2,229,415
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	-	-	-	10,252,000
Premium on bonds issued	-	-	-	1,944,357
Transfers in	300,000	2,451,000	2,451,461	300,000
Transfers (out)	-	(2,500,000)	(2,500,000)	(9,088,032)
Total other financing sources (uses)	300,000	(49,000)	(48,539)	3,408,325
NET CHANGE IN FUND BALANCE	\$ (3,387,200)	\$ (1,639,804)	2,685,863	5,637,740
FUND BALANCE, JANUARY 1			16,738,438	11,100,698
FUND BALANCE, DECEMBER 31			\$ 19,424,301	\$ 16,738,438

(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.

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

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

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, 2021

	Special Revenue Funds				
	Motor Fuel Tax	Community Development Block Grant	Affordable Housing	Zero Interest Loan	Foreign Fire Insurance
ASSETS					
Cash and investments	\$ 5,453,016	\$ 86,555	\$ 824,563	\$ 865,484	\$ 538,904
Receivables					
Property taxes	-	-	-	-	-
Other taxes	279,275	-	-	-	-
Accrued interest	-	-	32	33	21
CDBG rehabilitation loans	-	1,868,342	-	-	-
Grants	-	250,022	-	-	-
Other	-	-	-	166,494	-
TOTAL ASSETS	\$ 5,732,291	\$ 2,204,919	\$ 824,595	\$ 1,032,011	\$ 538,925
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 125,079	\$ 134,047	\$ -	\$ -	\$ 2,193
Accrued payroll	-	2,529	-	-	-
Due to other funds	-	200,001	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	125,079	336,577	-	-	2,193
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	1,868,342	-	166,494	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	1,868,342	-	166,494	-
Total liabilities and deferred inflows of resources	125,079	2,204,919	-	166,494	2,193
FUND BALANCES					
Restricted					
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	536,732
Highways and streets	5,607,212	-	-	-	-
Community development	-	-	824,595	865,517	-
Stormwater control	-	-	-	-	-
Unrestricted					
Assigned					
Public parking	-	-	-	-	-
Public building	-	-	-	-	-
Total fund balances	5,607,212	-	824,595	865,517	536,732
TOTAL LIABILITIES, DEFERRFED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,732,291	\$ 2,204,919	\$ 824,595	\$ 1,032,011	\$ 538,925

Special Revenue Funds					Capital Projects				
Criminal Investigations	TIF IV	TIF V	Hickory Kensington TIF	South Arlington Heights Road TIF	Municipal Parking Operations	Stormwater Control	Public Building	Total	
\$ 1,289,715	\$ 3,337,338	\$ 3,965,786	\$ 3,229,801	\$ 541,589	\$ 6,173,498	\$ 6,032,451	\$ -	\$ 32,338,700	
-	571,800	738,100	650,000	100,000	-	-	-	2,059,900	
-	-	-	-	-	-	-	-	279,275	
-	128	152	124	21	223	232	-	966	
-	-	-	-	-	-	-	-	1,868,342	
-	-	-	-	-	-	-	-	250,022	
1,750	-	-	-	-	2,851	202,355	-	373,450	
<u>\$ 1,291,465</u>	<u>\$ 3,909,266</u>	<u>\$ 4,704,038</u>	<u>\$ 3,879,925</u>	<u>\$ 641,610</u>	<u>\$ 6,176,572</u>	<u>\$ 6,235,038</u>	<u>\$ -</u>	<u>\$ 37,170,655</u>	
\$ 533	\$ 1,547	\$ -	\$ -	\$ 4,641	\$ 73,641	\$ 323,325	\$ -	\$ 665,006	
-	-	-	-	-	6,467	-	-	8,996	
-	-	-	-	-	-	-	-	200,001	
-	-	-	-	-	19,265	-	-	19,265	
533	1,547	-	-	4,641	99,373	323,325	-	893,268	
-	-	-	-	-	-	-	-	2,034,836	
-	571,800	738,100	650,000	100,000	-	-	-	2,059,900	
-	571,800	738,100	650,000	100,000	-	-	-	4,094,736	
533	573,347	738,100	650,000	104,641	99,373	323,325	-	4,988,004	
-	-	-	-	-	-	587,252	-	587,252	
1,290,932	-	-	-	-	-	-	-	1,827,664	
-	-	-	-	-	-	-	-	5,607,212	
-	3,335,919	3,965,938	3,229,925	536,969	-	-	-	12,758,863	
-	-	-	-	-	-	5,324,461	-	5,324,461	
-	-	-	-	-	6,077,199	-	-	6,077,199	
-	-	-	-	-	-	-	-	-	
1,290,932	3,335,919	3,965,938	3,229,925	536,969	6,077,199	5,911,713	-	32,182,651	
<u>\$ 1,291,465</u>	<u>\$ 3,909,266</u>	<u>\$ 4,704,038</u>	<u>\$ 3,879,925</u>	<u>\$ 641,610</u>	<u>\$ 6,176,572</u>	<u>\$ 6,235,038</u>	<u>\$ -</u>	<u>\$ 37,170,655</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, 2021

	Special Revenue				
	Motor Fuel Tax	Community Development Block Grant	Affordable Housing	Zero Interest Loan	Foreign Fire Insurance
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 157,551
Intergovernmental	2,942,607	-	-	-	-
Grants	1,649,817	564,652	-	-	-
Charges for services	-	-	-	371,324	-
Fines and fees	-	-	-	-	-
Investment income	552	-	441	483	361
Miscellaneous	-	119,662	377,310	-	182
Total revenues	4,592,976	684,314	377,751	371,807	158,094
EXPENDITURES					
Current					
General government	-	-	-	20,000	-
Public safety	-	-	-	-	108,159
Highways and streets	-	-	-	-	-
Community development	-	684,314	-	-	-
Capital outlay	3,911,870	-	-	-	-
Total expenditures	3,911,870	684,314	-	20,000	108,159
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	681,106	-	377,751	351,807	49,935
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	681,106	-	377,751	351,807	49,935
FUND BALANCE, JANUARY 1	4,926,106	-	446,844	513,710	486,797
FUND BALANCE , DECEMBER 31	\$ 5,607,212	\$ -	\$ 824,595	\$ 865,517	\$ 536,732

Special Revenue					Capital Projects				
Criminal Investigations	TIF IV	TIF V	Hickory Kensington TIF	South Arlington Heights Road TIF	Municipal Parking Operations	Stormwater Control	Public Building	Total	
\$ -	\$ 453,464	\$ 801,933	\$ 762,150	\$ 591,378	\$ -	\$ -	\$ -	\$ 2,766,476	
62,863	-	-	-	-	-	-	-	3,005,470	
-	-	-	-	-	-	-	-	2,214,469	
-	-	-	-	-	797,330	1,677,031	-	2,845,685	
-	-	-	-	-	2,774	-	-	2,774	
376	2,528	2,748	2,176	127	7,182	5,816	1,353	24,143	
971	721	501	-	-	10,024	12,696	113,751	635,818	
64,210	456,713	805,182	764,326	591,505	817,310	1,695,543	115,104	11,494,835	
-	-	-	-	-	-	-	-	20,000	
207,357	-	-	-	-	-	-	-	315,516	
-	-	-	-	-	1,098,047	-	-	1,098,047	
-	101,879	400	15,000	-	-	-	-	801,593	
-	544,810	-	-	54,536	205,032	5,018,318	7,000	9,741,566	
207,357	646,689	400	15,000	54,536	1,303,079	5,018,318	7,000	11,976,722	
(143,147)	(189,976)	804,782	749,326	536,969	(485,769)	(3,322,775)	108,104	(481,887)	
-	-	-	-	-	950,000	-	-	950,000	
-	-	-	-	-	-	(692,100)	(3,401,461)	(4,093,561)	
-	-	-	-	-	950,000	(692,100)	(3,401,461)	(3,143,561)	
(143,147)	(189,976)	804,782	749,326	536,969	464,231	(4,014,875)	(3,293,357)	(3,625,448)	
1,434,079	3,525,895	3,161,156	2,480,599	-	5,612,968	9,926,588	3,293,357	35,808,099	
\$ 1,290,932	\$ 3,335,919	\$ 3,965,938	\$ 3,229,925	\$ 536,969	\$ 6,077,199	\$ 5,911,713	\$ -	\$ 32,182,651	

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental				
Motor fuel tax revenues	\$ 3,000,000	\$ 3,000,000	\$ 2,942,607	\$ 2,733,024
Grants	1,650,000	1,650,000	1,649,817	1,649,817
Investment income	4,000	4,000	552	8,590
Total revenues	4,654,000	4,654,000	4,592,976	4,391,431
EXPENDITURES				
Capital outlay	4,114,500	4,232,220	3,911,870	2,371,133
Total expenditures	4,114,500	4,232,220	3,911,870	2,371,133
NET CHANGE IN FUND BALANCE				
	<u>\$ 539,500</u>	<u>\$ 421,780</u>	681,106	2,020,298
FUND BALANCE, JANUARY 1				
			4,926,106	2,905,808
FUND BALANCE, DECEMBER 31				
			<u>\$ 5,607,212</u>	<u>\$ 4,926,106</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental				
Federal grants	\$ 487,300	\$ 871,200	\$ 564,652	\$ 356,951
Program income	50,000	50,000	113,951	43,639
Miscellaneous income	-	-	5,711	-
Total revenues	537,300	921,200	684,314	400,590
EXPENDITURES				
Current				
Community development				
Planning and community development				
Salaries	62,500	62,500	60,666	60,500
CDBG program				
Other charges	474,800	901,982	623,648	382,890
Total expenditures	537,300	964,482	684,314	443,390
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(43,282)	-	(42,800)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	42,800
Total other financing sources (uses)	-	-	-	42,800
NET CHANGE IN FUND BALANCE	\$ -	\$ (43,282)	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			\$ -	\$ -

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment income	\$ -	\$ -	\$ 441	\$ 1,820
Miscellaneous income	150,000	150,000	377,310	130,500
Total revenues	150,000	150,000	377,751	132,320
EXPENDITURES				
Health and welfare				
Contractual service	25,000	25,000	-	-
Total expenditures	25,000	25,000	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 125,000</u>	<u>\$ 125,000</u>	377,751	132,320
FUND BALANCE, JANUARY 1			446,844	314,524
FUND BALANCE, DECEMBER 31			<u>\$ 824,595</u>	<u>\$ 446,844</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Loan repayments	\$ 311,700.00	\$ 311,700	\$ 371,324	\$ 271,919
Investment income	-	-	483	2,485
Total revenues	311,700	311,700	371,807	274,404
EXPENDITURES				
Current				
General Government				
Integrated services				
Contractual services	250,000	250,000	20,000	170,084
Total expenditures	250,000	250,000	20,000	170,084
NET CHANGE IN FUND BALANCE	<u>\$ 61,700</u>	<u>\$ 61,700</u>	351,807	104,320
FUND BALANCE, JANUARY 1			513,710	409,390
FUND BALANCE, DECEMBER 31			<u>\$ 865,517</u>	<u>\$ 513,710</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Foreign fire insurance tax	\$ 130,000	\$ 130,000	\$ 157,551	\$ 151,399
Investment income	2,500	2,500	361	1,719
Miscellaneous income	-	-	182	-
Total revenues	132,500	132,500	158,094	153,118
EXPENDITURES				
Current				
Public safety				
Contractual	75,000	75,000	23,478	23,260
Commodities	175,000	175,000	84,681	68,167
Total expenditures	250,000	250,000	108,159	91,427
NET CHANGE IN FUND BALANCE	<u>\$ (117,500)</u>	<u>\$ (117,500)</u>	49,935	61,691
FUND BALANCE, JANUARY 1			486,797	425,106
FUND BALANCE, DECEMBER 31			<u>\$ 536,732</u>	<u>\$ 486,797</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental	\$ 95,000	\$ 95,000	\$ 62,863	\$ 29,017
Investment income	8,700	8,700	376	2,547
Miscellaneous income	-	-	971	-
Total revenues	103,700	103,700	64,210	31,564
EXPENDITURES				
Current				
Public safety				
Other charges	327,300	346,758	207,357	300,759
Total expenditures	327,300	346,758	207,357	300,759
NET CHANGE IN FUND BALANCE	<u>\$ (223,600)</u>	<u>\$ (243,058)</u>	(143,147)	(269,195)
FUND BALANCE, JANUARY 1			1,434,079	1,703,274
FUND BALANCE, DECEMBER 31			<u>\$ 1,290,932</u>	<u>\$ 1,434,079</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 571,800	\$ 571,800	\$ 453,464	\$ 756,181
Investment income	19,500	19,500	2,528	17,178
Miscellaneous	-	-	721	-
Total revenues	591,300	591,300	456,713	773,359
EXPENDITURES				
Current				
Community development				
Contractual services	50,000	60,839	51,479	18,883
Other expenditures	50,000	50,000	50,400	50,000
Capital outlay	500,000	500,000	544,810	-
Total expenditures	600,000	610,839	646,689	68,883
NET CHANGE IN FUND BALANCE	<u>\$ (8,700)</u>	<u>\$ (19,539)</u>	(189,976)	704,476
FUND BALANCE, JANUARY 1			3,525,895	2,821,419
FUND BALANCE, DECEMBER 31			<u>\$ 3,335,919</u>	<u>\$ 3,525,895</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 738,100	\$ 738,100	\$ 801,933	\$ 984,960
Investment income	8,100	8,100	2,748	14,092
Miscellaneous	-	-	501	-
Total revenues	746,200	746,200	805,182	999,052
EXPENDITURES				
Current				
Community development				
Contractual services	15,000	15,000	-	-
Other charges	130,000	130,000	400	-
Capital outlay	2,332,000	2,342,469	-	738
Total expenditures	2,477,000	2,487,469	400	738
NET CHANGE IN FUND BALANCE	<u>\$ (1,730,800)</u>	<u>\$ (1,741,269)</u>	804,782	998,314
FUND BALANCE, JANUARY 1			3,161,156	2,162,842
FUND BALANCE, DECEMBER 31			<u>\$ 3,965,938</u>	<u>\$ 3,161,156</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	\$ 558,500	\$ 558,500	\$ 762,150	\$ 806,644
Investment income	10,000	10,000	2,176	11,523
Total revenues	568,500	568,500	764,326	818,167
EXPENDITURES				
Current				
Community development				
Contractual services	75,000	75,000	-	-
Other expenditures	15,000	15,000	15,000	15,000
Capital outlay	1,500,000	1,500,000	-	-
Total expenditures	1,590,000	1,590,000	15,000	15,000
NET CHANGE IN FUND BALANCE	<u>\$ (1,021,500)</u>	<u>\$ (1,021,500)</u>	749,326	803,167
FUND BALANCE, JANUARY 1			2,480,599	1,677,432
FUND BALANCE, DECEMBER 31			<u>\$ 3,229,925</u>	<u>\$ 2,480,599</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SOUTH ARLINGTON HEIGHTS ROAD TIF

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

For the Year Ended December 31, 2021

	2021		
	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 100,000	\$ 100,000	\$ 591,378
Investment income	-	-	127
Total revenues	100,000	100,000	591,505
EXPENDITURES			
Current			
Community development			
Other charges	15,000	15,000	-
Capital outlay	55,800	55,800	54,536
Total expenditures	70,800	70,800	54,536
NET CHANGE IN FUND BALANCE	<u>\$ 29,200</u>	<u>\$ 29,200</u>	536,969
FUND BALANCE, JANUARY 1			-
FUND BALANCE, DECEMBER 31			<u>\$ 536,969</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for services	\$ 961,000	\$ 961,000	\$ 797,330	\$ 883,688
Fines and forfeitures	55,000	55,000	2,774	37,463
Investment income	31,000	31,000	7,182	25,243
Miscellaneous	-	-	10,024	5,548
Total revenues	1,047,000	1,047,000	817,310	951,942
EXPENDITURES				
Current				
Highways and streets				
Personal services	560,100	560,100	475,983	465,020
Contractual services	365,600	375,200	246,634	244,447
Commodities	96,100	96,100	88,130	79,387
Other charges	287,300	287,300	287,300	287,300
Capital outlay	346,500	497,125	205,032	543,288
Debt service				
Issuance costs	-	-	-	18,552
Total expenditures	1,655,600	1,815,825	1,303,079	1,637,994
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(608,600)	(768,825)	(485,769)	(686,052)
OTHER FINANCING SOURCES (USES)				
Bonds issued, at par	-	-	-	1,398,000
Premium on bonds issued	-	-	-	265,140
Transfers in	-	950,000	950,000	-
Total other financing sources (uses)	-	950,000	950,000	1,663,140
NET CHANGE IN FUND BALANCE	<u>\$ (608,600)</u>	<u>\$ 181,175</u>	464,231	977,088
FUND BALANCE, JANUARY 1			5,612,968	4,635,880
FUND BALANCE, DECEMBER 31			<u>\$ 6,077,199</u>	<u>\$ 5,612,968</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for services	\$ 1,630,400	\$ 1,630,400	\$ 1,677,031	\$ 1,603,413
Intergovernmental	1,000,000	1,000,000	-	-
Investment income	31,000	31,000	5,816	48,879
Miscellaneous	-	-	12,696	-
Total revenues	2,661,400	2,661,400	1,695,543	1,652,292
EXPENDITURES				
Capital outlay				
Contractual services	-	-	2,114	-
Capital outlay	6,626,600	8,204,294	5,016,204	973,582
Total expenditures	6,626,600	8,204,294	5,018,318	973,582
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,965,200)	(5,542,894)	(3,322,775)	678,710
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers (out)	(692,100)	(692,100)	(692,100)	(690,300)
Total other financing sources (uses)	(692,100)	(692,100)	(692,100)	(690,300)
NET CHANGE IN FUND BALANCE	<u>\$ (4,657,300)</u>	<u>\$ (6,234,994)</u>	(4,014,875)	(11,590)
FUND BALANCE, JANUARY 1			9,926,588	9,938,178
FUND BALANCE, DECEMBER 31			<u>\$ 5,911,713</u>	<u>\$ 9,926,588</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment income	\$ -	\$ -	\$ 1,353	\$ 17,883
Miscellaneous	-	-	113,751	190,106
Total revenues	-	-	115,104	207,989
EXPENDITURES				
Capital outlay				
Contractual services	-	123,967	-	-
Capital outlay	-	-	7,000	-
Total expenditures	-	123,967	7,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(123,967)	108,104	207,989
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(3,230,000)	(3,401,000)	(3,401,461)	-
Total other financing sources (uses)	(3,230,000)	(3,401,000)	(3,401,461)	-
NET CHANGE IN FUND BALANCE	<u>\$ (3,230,000)</u>	<u>\$ (3,524,967)</u>	(3,293,357)	207,989
FUND BALANCE, JANUARY 1			3,293,357	3,085,368
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	<u>\$ 3,293,357</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, 2021
(with comparative actual)

	2021	2020
CURRENT ASSETS		
Cash and investments	\$ 10,391,663	\$ 6,975,151
Receivables		
Customer accounts	3,163,497	2,706,696
Accrued interest	400	-
Prepaid expenses	7,600	7,600
Inventory	543,950	547,590
	<hr/>	<hr/>
Total current assets	14,107,110	10,237,037
	<hr/>	<hr/>
NONCURRENT ASSETS		
Capital assets		
Nondepreciable capital assets	2,450,827	2,648,950
Depreciable capital assets	115,163,485	110,822,911
Accumulated depreciation	(82,563,311)	(82,789,173)
	<hr/>	<hr/>
Net capital assets	35,051,001	30,682,688
Other assets		
Investment in joint venture	18,174,601	17,921,049
	<hr/>	<hr/>
Total noncurrent assets	53,225,602	48,603,737
	<hr/>	<hr/>
Total assets	67,332,712	58,840,774
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
Asset retirement obligation items	945,000	980,000
IMRF items	1,180,835	1,319,207
OPEB items	195,112	237,306
	<hr/>	<hr/>
Total deferred outflows of resources	2,320,947	2,536,513
	<hr/>	<hr/>
Total assets and deferred outflows of resources	69,653,659	61,377,287
	<hr/>	<hr/>
CURRENT LIABILITIES		
Accounts payable	407,291	318,947
Accrued payroll	116,700	83,802
Compensated absences payable	44,542	52,200
Total OPEB liability	32,136	37,356
	<hr/>	<hr/>
Total current liabilities	600,669	492,305
	<hr/>	<hr/>
LONG-TERM LIABILITIES		
Compensated absences payable	178,167	208,803
Asset retirement obligations	1,050,000	1,050,000
Net pension liability - IMRF	10,071	2,460,494
Total OPEB liability	826,391	863,679
	<hr/>	<hr/>
Total long-term liabilities	2,064,629	4,582,976
	<hr/>	<hr/>
Total liabilities	2,665,298	5,075,281
	<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, 2021
(with comparative actual)

	2021	2020
DEFERRED INFLOWS OF RESOURCES		
IMRF items	\$ 2,844,867	\$ 1,478,130
OPEB items	33,924	45,129
Total deferred inflows of resources	2,878,791	1,523,259
Total liabilities and deferred inflows of resources	5,544,089	6,598,540
NET POSITION		
Net investment in capital assets	35,051,001	30,682,688
Unrestricted	29,058,569	24,096,059
TOTAL NET POSITION	<u>\$ 64,109,570</u>	<u>\$ 54,778,747</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 21,953,200	\$ 21,953,200	\$ 21,458,315	\$ 19,958,979
Miscellaneous	96,000	96,000	428,728	50,128
Total operating revenues	22,049,200	22,049,200	21,887,043	20,009,107
OPERATING EXPENSES				
Personal services	7,097,600	7,097,600	5,650,116	6,306,303
Contractual services	2,709,100	2,799,740	2,721,278	2,557,272
Northwest Water Commission	4,124,900	4,124,900	4,013,462	3,749,826
Commodities	748,400	748,400	642,117	448,326
Charges for services	2,121,500	2,121,500	1,821,541	1,768,456
Other	8,337,900	8,498,016	1,437,343	3,085,315
Total operating expenses	25,139,400	25,390,156	16,285,857	17,915,498
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(3,090,200)	(3,340,956)	5,601,186	2,093,609
Depreciation and amortization	-	-	1,623,218	1,493,832
Total depreciation and amortization	-	-	1,623,218	1,493,832
OPERATING INCOME (LOSS)	(3,090,200)	(3,340,956)	3,977,968	599,777
NON-OPERATING REVENUES (EXPENSES)				
Investment income	20,000	20,000	11,361	4,486
Increase in joint venture	-	-	253,551	810,667
Other income	22,000	22,000	61,970	744,605
Total non-operating revenues (expenses)	42,000	42,000	326,882	1,559,758
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(3,048,200)	(3,298,956)	4,304,850	2,159,535
TRANSFERS				
Transfers in	-	2,500,000	2,500,000	9,045,232
CONTRIBUTIONS	-	-	3,102,920	-
CHANGE IN NET POSITION	\$ (3,048,200)	\$ (798,956)	9,907,770	11,204,767
NET POSITION, JANUARY 1			54,778,747	43,332,113
Prior period adjustment			(576,947)	241,867
NET POSITION, JANUARY 1, AS RESTATED			54,201,800	43,573,980
NET POSITION, DECEMBER 31			<u>\$ 64,109,570</u>	<u>\$ 54,778,747</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

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

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
PERSONAL SERVICES				
Finance				
Salaries	\$ 586,500	\$ 586,500	\$ 542,543	\$ 556,068
Overtime	500	500	-	-
Workers' compensation	1,300	1,300	1,300	1,200
Medical insurance	157,200	157,200	157,200	128,500
IMRF	73,500	73,500	67,813	70,279
FICA	36,400	36,400	31,889	32,545
Medicare	8,500	8,500	7,458	7,611
Water utility operations				
Salaries	3,820,700	3,820,700	3,669,597	3,646,358
Overtime	441,000	441,000	217,069	300,196
Workers' compensation	276,500	276,500	276,500	263,300
Medical insurance	824,600	824,600	824,600	851,200
IMRF	530,400	530,400	508,428	746,004
FICA	263,700	263,700	245,146	241,683
Medicare	61,800	61,800	57,406	56,563
Compensated absences	-	-	-	42,188
Total personal services	7,082,600	7,082,600	6,606,949	6,943,695
CONTRACTUAL SERVICES				
Finance				
Professional service	15,500	15,500	13,175	13,175
Other services	91,900	91,900	175,083	143,802
Travel and training	1,000	1,000	-	-
Postage	72,700	72,700	83,297	81,745
Printing	13,600	13,600	9,741	7,661
IT service charge	57,600	57,600	57,600	57,000
Water utility operations				
Professional services	184,800	275,440	223,724	77,709
General insurance	65,000	65,000	65,000	64,400
Equipment maintenance	52,800	52,800	48,885	50,203
Radio maintenance				
Building maintenance	10,000	10,000	-	8,899
Pumping station maintenance	20,000	20,000	11,888	3,500
Sewer collection system	12,500	12,500	17,716	13,168
Water distribution system	382,800	382,800	379,497	382,132
Meter installation	300,500	300,500	300,521	300,482
Equipment rental	206,000	206,000	82,150	148,503
Utility services	296,000	296,000	381,552	389,946
Disposal services	52,400	52,400	23,139	31,628
Other services	66,700	66,700	56,039	54,661
Dues	5,000	5,000	5,244	5,127

(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)
BUDGETARY BASIS

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
CONTRACTUAL SERVICES (Continued)				
Water utility operations (Continued)				
Travel and training	\$ 20,300	\$ 20,300	\$ 9,869	\$ 2,302
Postage	1,500	1,500	1,394	688
Printing	6,500	6,500	98	-
Annual consumer report	3,000	3,000	1,957	1,921
Service charge	178,000	178,000	178,000	175,600
Claims and refunds	10,000	10,000	-	-
Vehicle/equipment lease charge	530,900	530,900	530,900	480,900
Telephone services	52,100	52,100	64,809	62,120
Total contractual services	2,709,100	2,799,740	2,721,278	2,557,272
NORTHWEST WATER COMMISSION	4,124,900	4,124,900	4,013,462	3,749,826
COMMODITIES				
Finance				
Office supplies and equipment	1,200	1,200	18	12
Water utility operations				
Publications and periodicals	500	500	-	102
Office supplies and equipment	5,200	5,200	1,629	1,931
Data system supplies	7,200	7,200	350	-
Clothing	24,700	24,700	21,245	20,718
Petroleum products	66,800	66,800	73,061	51,295
Water distribution supplies	166,000	166,000	154,715	48,244
Meter/backflow devices	152,000	152,000	129,383	66,738
Pumping and storage supplies	25,000	25,000	27,192	14,218
Sewer collection supplies	31,000	31,000	27,726	24,359
Agricultural supplies	13,300	13,300	1,539	2,025
Building supplies	13,500	13,500	17,929	13,749
Chemicals	10,000	10,000	10,235	14,574
Other equipment and supplies	78,500	78,500	69,214	78,454
Small tools and equipment	15,500	15,500	14,604	18,802
Street and sidewalk supplies	125,000	125,000	81,374	80,551
Other supplies	13,000	13,000	11,903	12,554
Total commodities	748,400	748,400	642,117	448,326
CHARGES FOR SERVICES				
Water utility operations				
Administrative service charge	1,821,500	1,821,500	1,821,500	1,768,400
Operating contingency	300,000	300,000	-	-
Other	-	-	41	56
Total charges for services	2,121,500	2,121,500	1,821,541	1,768,456

(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)
BUDGETARY BASIS

For the Year Ended December 31, 2021
(with comparative actual)

	<u>2021</u>			<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Actual</u>
OTHER				
Capital outlay				
Water utility operations				
Office equipment	\$ 15,000	\$ 15,000	\$ 3,364	\$ 12,745
Other equipment	1,236,900	1,306,066	343,503	918,210
Building improvements	30,000	35,222	9,108	32,773
Construction in progress	7,056,000	7,141,728	4,511,926	6,396,731
Total other	8,337,900	8,498,016	4,867,901	7,360,459
TOTAL OPERATIONS	25,124,400	25,375,156	20,673,248	22,828,034
ADJUSTMENTS TO GAAP BASIS				
Assets capitalized	-	-	(3,430,558)	(4,275,144)
Pension expense	-	-	(945,314)	(583,990)
OPEB expense	15,000	15,000	(11,519)	(53,402)
Total adjustments to GAAP Basis	15,000	15,000	(4,387,391)	(4,912,536)
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION - GAAP BASIS	<u>\$ 25,139,400</u>	<u>\$ 25,390,156</u>	<u>\$ 16,285,857</u>	<u>\$ 17,915,498</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.

Lead Service Line Replacement Fund – to account for the costs from the state mandate eliminating all public lead water service lines by the year 2044.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2021

	Solid Waste Disposal	Arts, Entertainment and Events	Lead Service Line Replacement	Total
CURRENT ASSETS				
Cash and investments	\$ 3,507,730	\$ 1,346,707	\$ 4,000,000	\$ 8,854,437
Receivables				
Customer accounts	106,027	72,448	-	178,475
Accrued interest	135	52	-	187
Prepaid expenses	128,779	-	-	128,779
Total current assets	3,742,671	1,419,207	4,000,000	9,161,878
CAPITAL ASSETS				
Nondepreciable capital assets	-	475,200	-	475,200
Depreciable capital assets	-	2,468,355	-	2,468,355
Accumulated depreciation	-	(1,192,361)	-	(1,192,361)
Net capital assets	-	1,751,194	-	1,751,194
Total assets	3,742,671	3,170,401	4,000,000	10,913,072
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	3,742,671	3,170,401	4,000,000	10,913,072
CURRENT LIABILITIES				
Accounts payable	72,291	-	-	72,291
Total liabilities	72,291	-	-	72,291
NET POSITION				
Net investment in capital assets	-	1,751,194	-	1,751,194
Unrestricted	3,670,380	1,419,207	4,000,000	9,089,587
TOTAL NET POSITION	\$ 3,670,380	\$ 3,170,401	\$ 4,000,000	\$ 10,840,781

(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, 2021

	Solid Waste Disposal	Arts, Entertainment, and Events	Lead Service Line Replacement	Total
OPERATING REVENUES				
Charges for services	\$ 1,969,866	\$ 101,067	\$ -	\$ 2,070,933
Total operating revenues	1,969,866	101,067	-	2,070,933
OPERATING EXPENSES				
Operations	1,615,341	714,093	-	2,329,434
Depreciation	-	60,673	-	60,673
Total operating expenses	1,615,341	774,766	-	2,390,107
OPERATING INCOME (LOSS)	354,525	(673,699)	-	(319,174)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	2,762	775	-	3,537
Food and beverage tax	-	713,530	-	713,530
Other income	1,425	159	-	1,584
Total non-operating revenues (expenses)	4,187	714,464	-	718,651
INCOME (LOSS) BEFORE TRANSFERS	358,712	40,765	-	399,477
TRANSFERS				
Transfers in	-	650,000	4,000,000	4,650,000
Transfers (out)	(500,000)	-	-	(500,000)
Total transfers	(500,000)	650,000	4,000,000	4,150,000
CHANGE IN NET POSITION	(141,288)	690,765	4,000,000	4,549,477
NET POSITION, JANUARY 1	3,811,668	2,502,619	-	6,314,287
Prior period adjustment	-	(22,983)	-	(22,983)
NET POSITION, JANUARY 1, RESTATED	3,811,668	2,479,636	-	6,291,304
NET POSITION, DECEMBER 31	\$ 3,670,380	\$ 3,170,401	\$ 4,000,000	\$ 10,840,781

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	Solid Waste Disposal	Arts, Entertainment, and Events	Lead Service Line Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,939,066	\$ 79,312	\$ -	\$ 2,018,378
Payments to suppliers	(1,606,863)	(570,334)	-	(2,177,197)
Payments to employees	-	(143,759)	-	(143,759)
Net cash from operating activities	332,203	(634,781)	-	(302,578)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	650,000	4,000,000	4,650,000
Transfers (out)	(500,000)	-	-	(500,000)
Food and beverage tax receipts	-	713,530	-	713,530
Net cash from noncapital financing activities	(500,000)	1,363,530	4,000,000	4,863,530
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
None	-	-	-	-
Net cash from capital and related financing activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	2,627	723	-	3,350
Net cash from investing activities	2,627	723	-	3,350
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(165,170)	729,472	4,000,000	4,564,302
CASH AND CASH EQUIVALENTS, JANUARY 1	3,672,900	617,235	-	4,290,135
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,507,730	\$ 1,346,707	\$ 4,000,000	\$ 8,854,437
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 354,525	\$ (673,699)	\$ -	\$ (319,174)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	-	60,673	-	60,673
Other income	1,425	159	-	1,584
Change in assets and liabilities				
Receivables	(32,225)	(21,914)	-	(54,139)
Prepaid expenses	(6,599)	-	-	(6,599)
Accounts payable	15,077	-	-	15,077
NET CASH FROM OPERATING ACTIVITIES	\$ 332,203	\$ (634,781)	\$ -	\$ (302,578)

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,950,000	\$ 1,950,000	\$ 1,969,866	\$ 1,915,616
Total operating revenues	1,950,000	1,950,000	1,969,866	1,915,616
OPERATING EXPENSES				
Personal services	1,300	1,300	-	-
Operations	1,585,300	1,585,300	1,615,341	1,522,125
Total operating expenses	1,586,600	1,586,600	1,615,341	1,522,125
OPERATING INCOME	363,400	363,400	354,525	393,491
NON-OPERATING REVENUES (EXPENSES)				
Investment income	10,000	10,000	2,762	19,202
Other income	-	-	1,425	-
Total non-operating revenues (expenses)	10,000	10,000	4,187	19,202
INCOME BEFORE TRANSFERS	373,400	373,400	358,712	412,693
TRANSFERS				
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>\$ (126,600)</u>	<u>\$ (126,600)</u>	(141,288)	(87,307)
NET POSITION, JANUARY 1			3,811,668	3,898,975
NET POSITION, DECEMBER 31			<u>\$ 3,670,380</u>	<u>\$ 3,811,668</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Special events	\$ 22,500	\$ 22,500	\$ -	\$ -
Fines and fees	102,800	102,800	101,067	73,690
Total operating revenue	125,300	125,300	101,067	73,690
OPERATING EXPENSES				
Operations				
Personal services	172,100	172,100	143,759	-
Contractual	586,100	1,090,928	427,852	369,167
Commodities	39,500	39,500	69,614	-
Capital outlay	75,000	100,000	72,868	12,926
Depreciation	-	-	60,673	71,706
Total operating expenses	872,700	1,402,528	774,766	453,799
OPERATING INCOME (LOSS)	(747,400)	(1,277,228)	(673,699)	(380,109)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	4,500	4,500	775	2,226
Food and beverage tax	593,300	593,300	713,530	519,327
Other income	-	-	159	-
Total non-operating revenues (expenses)	597,800	597,800	714,464	521,553
INCOME (LOSS) BEFORE TRANSFERS	(149,600)	(679,428)	40,765	141,444
TRANSFERS				
Transfers in	486,000	711,000	650,000	-
Total transfers	486,000	711,000	650,000	-
CHANGE IN NET POSITION	<u>\$ 336,400</u>	<u>\$ 31,572</u>	690,765	141,444
NET POSITION, JANUARY 1			2,502,619	2,361,175
Prior period adjustment			(22,983)	-
NET POSITION, JANUARY 1, RESTATED			2,479,636	2,361,175
NET POSITION, DECEMBER 31			<u>\$ 3,170,401</u>	<u>\$ 2,502,619</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, 2021

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
CURRENT ASSETS						
Cash and investments	\$ 6,331,789	\$ 4,452,254	\$ 5,409,401	\$ 5,024,207	\$ 10,030,984	\$ 31,248,635
Receivables						
Accrued interest	244	171	206	193	340	1,154
Other	-	89,757	269,270	-	-	359,027
Prepaid items	8,048	-	-	-	-	8,048
Inventory	-	-	-	-	268,401	268,401
Total current assets	6,340,081	4,542,182	5,678,877	5,024,400	10,299,725	31,885,265
CAPITAL ASSETS						
Depreciable capital assets	-	-	-	-	22,697,647	22,697,647
Accumulated depreciation	-	-	-	-	(15,151,434)	(15,151,434)
Net capital assets	-	-	-	-	7,546,213	7,546,213
Total assets	6,340,081	4,542,182	5,678,877	5,024,400	17,845,938	39,431,478
DEFERRED OUTFLOWS OF RESOURCES						
OPEB items	37,954	-	3,247	19,479	23,342	84,022
Total deferred outflows of resources	37,954	-	3,247	19,479	23,342	84,022
Total assets and deferred outflows of resources	6,378,035	4,542,182	5,682,124	5,043,879	17,869,280	39,515,500

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION (Continued)

December 31, 2021

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
CURRENT LIABILITIES						
Accounts payable	\$ 320,242	\$ 36,716	\$ 18,785	\$ 84,667	\$ 39,691	\$ 500,101
Accrued payroll	2,518	-	2,348	13,866	26,252	44,984
Claims payable	1,406,809	17,214	218,525	-	-	1,642,548
Unearned revenue	-	89,757	269,270	-	-	359,027
Compensated absences payable	836	-	2,704	9,560	15,741	28,841
Total OPEB liability	1,449	-	213	1,045	5,759	8,466
Total current liabilities	1,731,854	143,687	511,845	109,138	87,443	2,583,967
LONG-TERM LIABILITIES						
Compensated absences payable	3,346	-	10,818	38,241	62,958	115,363
Total OPEB liability	37,269	-	5,477	26,873	148,085	217,704
Total long-term liabilities	40,615	-	16,295	65,114	211,043	333,067
Total liabilities	1,772,469	143,687	528,140	174,252	298,486	2,917,034
DEFERRED INFLOWS OF RESOURCES						
OPEB items	109	-	2,770	24,833	14,608	42,320
Total deferred inflows of resources	109	-	2,770	24,833	14,608	42,320
Total liabilities and deferred inflows of resources	1,772,578	143,687	530,910	199,085	313,094	2,959,354
NET POSITION						
Net investment in capital assets	-	-	-	-	7,546,213	7,546,213
Unrestricted	4,605,457	4,398,495	5,151,214	4,844,794	10,009,973	29,009,933
TOTAL NET POSITION	\$ 4,605,457	\$ 4,398,495	\$ 5,151,214	\$ 4,844,794	\$ 17,556,186	\$ 36,556,146

(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, 2021

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
OPERATING REVENUES						
Charges for services	\$ 10,566,500	\$ 851,800	\$ 2,264,800	\$ 1,885,600	\$ 3,697,300	\$ 19,266,000
Contributions	2,325,110	-	-	-	-	2,325,110
Fines	-	-	-	-	13,542	13,542
Miscellaneous	-	-	-	-	263,097	263,097
Total operating revenues	12,891,610	851,800	2,264,800	1,885,600	3,973,939	21,867,749
OPERATING EXPENSES						
Personal services	156,956	-	160,776	832,193	1,626,904	2,776,829
Contractual services	5,226,459	336,952	1,039,901	635,486	329,698	7,568,496
Commodities	126	-	1,958	75,487	406,377	483,948
Insurance claims	7,494,249	285,659	507,226	-	-	8,287,134
Supplies	-	-	-	246,768	-	246,768
Total operating expenses	12,877,790	622,611	1,709,861	1,789,934	2,362,979	19,363,175
OPERATING INCOME BEFORE DEPRECIATION	13,820	229,189	554,939	95,666	1,610,960	2,504,574
Depreciation	-	-	-	-	1,474,531	1,474,531
OPERATING INCOME	13,820	229,189	554,939	95,666	136,429	1,030,043
NONOPERATING REVENUES (EXPENSES)						
Investment income	4,648	3,170	3,618	3,011	6,465	20,912
Loss on disposal of capital assets	-	-	-	-	(1,702)	(1,702)
Other income	112,664	20,399	10,979	5,522	20,242	169,806
Total nonoperating revenues (expenses)	117,312	23,569	14,597	8,533	25,005	189,016
INCOME BEFORE TRANSFERS	131,132	252,758	569,536	104,199	161,434	1,219,059

(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, 2021

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
TRANSFERS						
Transfers in	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 1,200,000	\$ 3,200,000
Total transfers	-	-	-	2,000,000	1,200,000	3,200,000
CHANGE IN NET POSITION	131,132	252,758	569,536	2,104,199	1,361,434	4,419,059
NET POSITION, JANUARY 1	4,474,325	4,145,737	4,581,678	2,774,469	16,194,752	32,170,961
Prior period adjustment	-	-	-	(33,874)	-	(33,874)
NET POSITION, JANUARY 1, RESTATED	4,474,325	4,145,737	4,581,678	2,740,595	16,194,752	32,137,087
NET POSITION, DECEMBER 31	<u>\$ 4,605,457</u>	<u>\$ 4,398,495</u>	<u>\$ 5,151,214</u>	<u>\$ 4,844,794</u>	<u>\$ 17,556,186</u>	<u>\$ 36,556,146</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2021

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 2,437,774	\$ -	\$ -	-	-	\$ 2,437,774
Receipts from interfund services	10,566,500	896,041	2,347,305	1,891,122	3,994,181	19,695,149
Payments to suppliers	(12,804,299)	(635,365)	(1,913,717)	(923,583)	(741,663)	(17,018,627)
Payments to employees	(164,054)	-	(159,637)	(829,908)	(1,630,761)	(2,784,360)
Net cash from operating activities	35,921	260,676	273,951	137,631	1,621,757	2,329,936
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	-	2,000,000	1,200,000	3,200,000
Net cash from noncapital financing activities	-	-	-	2,000,000	1,200,000	3,200,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets purchased	-	-	-	-	(1,080,348)	(1,080,348)
Net cash from capital and related financing activities	-	-	-	-	(1,080,348)	(1,080,348)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	4,404	2,999	3,412	2,818	6,125	19,758
Net cash from investing activities	4,404	2,999	3,412	2,818	6,125	19,758
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,325	263,675	277,363	2,140,449	1,747,534	4,469,346
CASH AND CASH EQUIVALENTS, JANUARY 1	6,291,464	4,188,579	5,132,038	2,883,758	8,283,450	26,779,289
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 6,331,789	\$ 4,452,254	\$ 5,409,401	5,024,207	10,030,984	\$ 31,248,635

(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, 2021

**RECONCILIATION OF OPERATING
INCOME TO NET CASH FLOWS
FROM OPERATING ACTIVITIES**

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
Operating income	\$ 13,820	\$ 229,189	\$ 554,939	\$ 95,666	\$ 136,429	\$ 1,030,043
Depreciation	-	-	-	-	1,474,531	1,474,531
Other income	112,664	20,399	10,979	5,522	20,242	169,806
Adjustments to reconcile operating income to net cash from operating activities						-
Change in assets and liabilities						-
Inventories	-	-	-	-	(42,168)	(42,168)
Accounts receivable	-	(23,842)	(71,526)	-	-	(95,368)
Prepaid expenses	(340)	-	-	-	30,741	30,401
Accounts payable	10,377	29,720	(285,143)	34,158	5,839	(205,049)
Accrued payroll	466	-	499	2,744	2,800	6,509
Unearned revenue	-	23,842	71,526	-	-	95,368
Compensated absences payable	(3,246)	-	78	(4,691)	(17,698)	(25,557)
OPEB items	(4,318)	-	562	4,232	11,041	11,517
Claims payable	(93,502)	(18,632)	(7,963)	-	-	(120,097)
NET CASH FROM OPERATING ACTIVITIES	\$ 35,921	\$ 260,676	\$ 273,951	137,631	1,621,757	\$ 2,329,936

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 10,579,100	\$ 10,579,100	\$ 10,566,500	\$ 10,465,408
Contributions	2,858,500	2,858,500	2,325,110	2,299,246
Total operating revenues	13,437,600	13,437,600	12,891,610	12,764,654
OPERATING EXPENSES				
Personal services	566,900	566,900	156,956	147,281
Contractual services	5,414,900	5,414,900	5,226,459	5,246,165
Commodities	500	500	126	367
Insurance claims	7,614,200	7,614,200	7,494,249	6,532,372
Total operating expenses	13,596,500	13,596,500	12,877,790	11,926,185
OPERATING INCOME (LOSS)	(158,900)	(158,900)	13,820	838,469
NON-OPERATING REVENUES (EXPENSES)				
Investment income	22,000	22,000	4,648	31,042
Other income	-	-	112,664	123,921
Total non-operating revenues (expenses)	22,000	22,000	117,312	154,963
CHANGE IN NET POSITION	<u>\$ (136,900)</u>	<u>\$ (136,900)</u>	131,132	993,432
NET POSITION, JANUARY 1			4,474,325	3,480,893
NET POSITION, DECEMBER 31			<u>\$ 4,605,457</u>	<u>\$ 4,474,325</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 851,800	\$ 851,800	\$ 851,800	\$ 843,400
Total operating revenues	851,800	851,800	851,800	843,400
OPERATING EXPENSES				
Contractual services	373,000	373,000	336,952	368,647
Insurance claims	500,000	500,000	285,659	95,774
Total operating expenses	873,000	873,000	622,611	464,421
OPERATING INCOME (LOSS)	(21,200)	(21,200)	229,189	378,979
NON-OPERATING REVENUES (EXPENSES)				
Investment income	24,000	24,000	3,170	19,295
Other	-	-	20,399	21,671
Total non-operating revenues (expenses)	24,000	24,000	23,569	40,966
CHANGE IN NET POSITION	<u>\$ 2,800</u>	<u>\$ 2,800</u>	252,758	419,945
NET POSITION, JANUARY 1			4,145,737	3,725,792
NET POSITION, DECEMBER 31			<u>\$ 4,398,495</u>	<u>\$ 4,145,737</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 2,264,800	\$ 2,264,800	\$ 2,264,800	\$ 2,157,000
Total operating revenues	2,264,800	2,264,800	2,264,800	2,157,000
OPERATING EXPENSES				
Personal services	178,700	178,700	160,776	145,792
Contractual services	1,146,700	1,146,700	1,039,901	1,091,113
Commodities	1,600	1,600	1,958	330
Insurance claims	1,485,000	1,485,000	507,226	836,646
Total operating expenses	2,812,000	2,812,000	1,709,861	2,073,881
OPERATING INCOME (LOSS)	(547,200)	(547,200)	554,939	83,119
NON-OPERATING REVENUES (EXPENSES)				
Investment income	24,000	24,000	3,618	19,188
Other	-	-	10,979	133,965
Total non-operating revenues (expenses)	24,000	24,000	14,597	153,153
CHANGE IN NET POSITION	<u>\$ (523,200)</u>	<u>\$ (523,200)</u>	569,536	236,272
NET POSITION, JANUARY 1			<u>4,581,678</u>	<u>4,345,406</u>
NET POSITION, DECEMBER 31			<u>\$ 5,151,214</u>	<u>\$ 4,581,678</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 1,885,600	\$ 1,885,600	\$ 1,885,600	\$ 1,858,700
Total operating revenues	1,885,600	1,885,600	1,885,600	1,858,700
OPERATING EXPENSES				
Operations				
Personal services	885,400	885,400	832,193	821,109
Contractual services	694,100	694,100	635,486	594,556
Commodities	70,300	75,550	75,487	69,479
Capital outlay	4,241,800	4,264,505	246,768	263,420
Depreciation	-	-	-	6,633
Total operating expenses	5,891,600	5,919,555	1,789,934	1,755,197
OPERATING INCOME (LOSS)	(4,006,000)	(4,033,955)	95,666	103,503
NON-OPERATING REVENUES (EXPENSES)				
Investment income	6,000	6,000	3,011	14,786
Other income	-	-	5,522	-
Total non-operating revenues (expenses)	6,000	6,000	8,533	14,786
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(4,000,000)	(4,027,955)	104,199	118,289
TRANSFERS				
Transfers in	2,000,000	2,000,000	2,000,000	-
Total transfers	2,000,000	2,000,000	2,000,000	-
CHANGE IN NET POSITION	<u>\$ (2,000,000)</u>	<u>\$ (2,027,955)</u>	2,104,199	118,289
NET POSITION, JANUARY 1			2,774,469	2,656,180
Prior period adjustment			(33,874)	-
NET POSITION, JANUARY 1, RESTATED			<u>2,740,595</u>	<u>2,656,180</u>
NET POSITION, DECEMBER 31			<u>\$ 4,844,794</u>	<u>\$ 2,774,469</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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	\$ 3,712,300	\$ 3,712,300	\$ 3,697,300	\$ 3,528,700
Fines	20,000	20,000	13,542	22,244
Miscellaneous	130,000	130,000	263,097	205,795
Total operating revenues	3,862,300	3,862,300	3,973,939	3,756,739
OPERATING EXPENSES				
Personal services	1,627,500	1,627,500	1,626,904	1,578,629
Contractual services	469,100	482,700	329,698	219,970
Commodities	411,200	411,200	406,377	289,809
Capital outlay	979,400	1,856,498	-	-
Total operating expenses	3,487,200	4,377,898	2,362,979	2,088,408
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	375,100	(515,598)	1,610,960	1,668,331
Depreciation	-	-	1,474,531	1,504,331
OPERATING INCOME (LOSS)	375,100	(515,598)	136,429	164,000
NON-OPERATING REVENUES (EXPENSES)				
Investment income	54,000	54,000	6,465	39,739
Loss on disposal of capital assets	-	-	(1,702)	(54,580)
Other income	-	-	20,242	33
Total non-operating revenues (expenses)	54,000	54,000	25,005	(14,808)
INCOME BEFORE TRANSFERS	429,100	(461,598)	161,434	149,192
TRANSFERS				
Transfers in	780,000	1,200,000	1,200,000	-
Total transfers	780,000	1,200,000	1,200,000	-
CHANGE IN NET POSITION	<u>\$ 1,209,100</u>	<u>\$ 738,402</u>	1,361,434	149,192
NET POSITION, JANUARY 1			16,194,752	16,045,560
NET POSITION, DECEMBER 31			<u>\$ 17,556,186</u>	<u>\$ 16,194,752</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS**FLEET OPERATIONS FUND****SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL**

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	
PERSONAL SERVICES				
Salaries	\$ 1,079,700	\$ 1,079,700	\$ 1,074,532	\$ 1,035,740
Overtime	60,100	60,100	60,728	37,497
Workers' compensation	53,100	53,100	53,100	50,600
Medical insurance	204,900	204,900	204,900	230,800
IMRF	137,500	137,500	138,259	132,819
Social Security	70,700	70,700	68,357	65,069
Medicare	16,500	16,500	15,987	15,218
Compensated absences	-	-	-	10,092
OPEB expense	5,000	5,000	11,041	794
Total personal services	1,627,500	1,627,500	1,626,904	1,578,629
CONTRACTUAL SERVICES				
Equipment maintenance	25,200	38,800	63,523	11,622
Vehicle equipment maintenance	267,000	267,000	170,743	145,062
Building improvements	53,000	53,000	29,859	-
Vehicle damage	35,000	35,000	8,004	9,765
Equipment rental	3,000	3,000	2,215	1,957
Disposal services	2,000	2,000	1,752	1,786
Other services	-	-	802	-
Dues	1,500	1,500	2,072	2,419
Travel and training	5,200	5,200	4,104	4,543
Postage	300	300	124	141
Printing	400	400	-	40
IT/GIS service charge	34,700	34,700	34,700	34,100
Vehicle and equipment lease charge	11,800	11,800	11,800	8,500
Wheeling bus maintenance	-	-	-	35
Operating contingency	30,000	30,000	-	-
Total contractual services	469,100	482,700	329,698	219,970

(This schedule is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
COMMODITIES				
Publications and periodicals	\$ 100	\$ 100	\$ 126	\$ -
Office supplies and equipment	700	700	121	366
Clothing	6,400	6,400	6,980	5,134
Petroleum products	2,100	2,100	23,484	7,354
Non Village fuel resale	121,000	121,000	65,705	60,013
Vehicle maintenance supplies	262,500	262,500	297,856	191,918
Other equipment and supplies	14,200	14,200	8,716	16,093
Small tools and equipment	4,200	4,200	3,389	6,851
Other supplies	-	-	-	2,080
Total commodities	411,200	411,200	406,377	289,809
CAPITAL OUTLAY	979,400	1,856,498	1,080,348	1,077,884
TOTAL OPERATIONS	<u>\$ 3,487,200</u>	<u>\$ 4,377,898</u>	3,443,327	3,166,292
ADJUSTMENTS TO GAAP BASIS				
Assets capitalized			(1,080,348)	(1,077,884)
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION - GAAP BASIS			<u>\$ 2,362,979</u>	<u>\$ 2,088,408</u>

(See independent auditor's report.)

FIDUCIARY FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

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

December 31, 2021

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 13,269,179	\$ 16,469,810	\$ 29,738,989
Investments			
U.S. Government and agency obligations	27,882,874	20,377,986	48,260,860
Equity securities	38,430,451	69,720,116	108,150,567
REIT	-	18,788,299	18,788,299
Mutual funds	83,511,242	-	83,511,242
Corporate bonds	21,413,432	22,754,272	44,167,704
Municipal bonds	1,043,309	996,905	2,040,214
Receivables			
Accrued interest	231,057	254,072	485,129
Other	16,078	-	16,078
Total assets	185,797,622	149,361,460	335,159,082
LIABILITIES			
Accounts payable	20,000	-	20,000
Deferred revenue	3,686	-	3,686
Total liabilities	23,686	-	23,686
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 185,773,936</u>	<u>\$ 149,361,460</u>	<u>\$ 335,135,396</u>

(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, 2021

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 4,073,000	\$ 4,913,000	\$ 8,986,000
Participants	1,146,864	1,145,403	2,292,267
Other	530,584	94,381	624,965
Total contributions	5,750,448	6,152,784	11,903,232
Investment income			
Net appreciation in fair value of investments	24,222,162	12,551,814	36,773,976
Interest income	2,737,593	2,692,346	5,429,939
Subtotal	26,959,755	15,244,160	42,203,915
Less investment expense	(384,784)	(247,889)	(632,673)
Net investment income	26,574,971	14,996,271	41,571,242
Total additions	32,325,419	21,149,055	53,474,474
DEDUCTIONS			
Administrative	52,684	73,219	125,903
Pension benefits and refunds	9,658,478	7,913,187	17,571,665
Total deductions	9,711,162	7,986,406	17,697,568
NET INCREASE	22,614,257	13,162,649	35,776,906
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	163,159,679	136,198,811	299,358,490
December 31	\$ 185,773,936	\$ 149,361,460	\$ 335,135,396

(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, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer	\$ 4,073,000	\$ 4,073,000	\$ 4,073,000	\$ 4,209,000
Plan members	1,160,000	1,160,000	1,146,864	1,171,314
Other	-	-	530,584	39,993
Total contributions	5,233,000	5,233,000	5,750,448	5,420,307
Investment income				
Net appreciation in fair value of investments	1,000,000	1,000,000	24,222,162	15,920,824
Interest earned	3,400,000	3,400,000	2,737,593	2,738,213
Subtotal	4,400,000	4,400,000	26,959,755	18,659,037
Less investment expense	(369,000)	(369,000)	(384,784)	(292,518)
Net investment income	4,031,000	4,031,000	26,574,971	18,366,519
Total additions	9,264,000	9,264,000	32,325,419	23,786,826
DEDUCTIONS				
Administrative	57,100	57,100	52,684	53,509
Pension benefits and refunds	9,613,000	9,613,000	9,658,478	8,919,945
Total deductions	9,670,100	9,670,100	9,711,162	8,973,454
NET INCREASE	<u>\$ (406,100)</u>	<u>\$ (406,100)</u>	22,614,257	14,813,372
NET POSITION RESTRICTED FOR PENSION BENEFITS				
January 1			163,159,679	148,346,307
December 31			<u>\$ 185,773,936</u>	<u>\$ 163,159,679</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2021
(with comparative actual)

	2021			2020
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer	\$ 4,913,000	\$ 4,913,000	\$ 4,913,000	\$ 5,130,000
Plan members	1,100,000	1,100,000	1,145,403	1,141,126
Other	-	-	94,381	6,208
Total contributions	6,013,000	6,013,000	6,152,784	6,277,334
Investment income				
Net appreciation in fair value in investments	2,000,000	2,000,000	12,551,814	11,745,221
Interest earned	1,800,000	1,800,000	2,692,346	2,155,407
Subtotal	3,800,000	3,800,000	15,244,160	13,900,628
Less investment expense	(221,300)	(221,300)	(247,889)	(216,909)
Net investment income	3,578,700	3,578,700	14,996,271	13,683,719
Total additions	9,591,700	9,591,700	21,149,055	19,961,053
DEDUCTIONS				
Administrative	52,700	52,700	73,219	28,116
Pension benefits and refunds	8,371,500	8,371,500	7,913,187	7,617,823
Total deductions	8,424,200	8,424,200	7,986,406	7,645,939
NET INCREASE	\$ 1,167,500	\$ 1,167,500	13,162,649	12,315,114
NET POSITION RESTRICTED FOR PENSION BENEFITS				
January 1			136,198,811	123,883,697
December 31			\$ 149,361,460	\$ 136,198,811

(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, 2021

CSFA Number	Program Name	State	Federal	Other	Total
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	-	-	94,462,681	94,462,681
	Totals	<u>\$ 2,371,133</u>	<u>\$ 1,527,494</u>	<u>\$ 94,462,681</u>	<u>\$ 98,361,308</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, 2021

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2021	\$ 280,000	\$ 9,100	\$ 289,100	2022	\$ 4,550	2022	\$ 4,550
	<u>\$ 280,000</u>	<u>\$ 9,100</u>	<u>\$ 289,100</u>		<u>\$ 4,550</u>		<u>\$ 4,550</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A

December 31, 2021

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

Tax Levy	Requirements				Interest Due on		
	Principal	Interest	Totals		Amount	December 1	Amount
2021	\$ 1,375,000	\$ 27,500	\$ 1,402,500	2022	\$ 13,750	2022	\$ 13,750
	<u>\$ 1,375,000</u>	<u>\$ 27,500</u>	<u>\$ 1,402,500</u>		<u>\$ 13,750</u>		<u>\$ 13,750</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2016

December 31, 2021

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
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>\$ 27,765,000 \$ 8,523,350 \$ 36,288,350</u>				<u>\$ 4,261,675</u>			

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2018

December 31, 2021

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
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>\$ 8,615,000</u>	<u>\$ 3,149,412</u>	<u>\$ 11,764,412</u>		<u>\$ 1,574,711</u>		<u>\$ 1,574,701</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019

December 31, 2021

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
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>\$ 1,231,500</u>	<u>\$ 9,216,500</u>		<u>\$ 615,750</u>		<u>\$ 615,750</u>

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2020

December 31, 2021

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
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>\$ 10,920,000</u>	<u>\$ 2,292,000</u>	<u>\$ 13,212,000</u>		<u>\$ 1,146,000</u>		<u>\$ 1,146,000</u>

(See independent auditor's report.)

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	151-162
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	163-166
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	167-170
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	171-172
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	173-175

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	4/30/2013	4/30/2014	4/30/2015	12/31/2015*
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 121,113,330	\$ 127,435,505	\$ 126,928,744	\$ 134,100,576
Restricted	17,517,983	16,796,342	23,943,432	21,979,506
Unrestricted	44,224,002	45,211,400	44,627,697	(41,302,760)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 182,855,315	\$ 189,443,247	\$ 195,499,873	\$ 114,777,322
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 31,486,324	\$ 30,288,702	\$ 28,889,101	\$ 27,613,381
Restricted	-	-	-	-
Unrestricted	23,159,732	23,285,911	22,803,814	22,200,989
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 54,646,056	\$ 53,574,613	\$ 51,692,915	\$ 49,814,370
PRIMARY GOVERNMENT				
Net investment in capital assets***	\$ 152,599,654	\$ 157,724,207	\$ 155,817,845	\$ 161,713,957
Restricted	17,517,983	16,796,342	23,943,432	21,979,506
Unrestricted	67,383,734	68,497,311	67,431,511	(19,101,771)
TOTAL PRIMARY GOVERNMENT	\$ 237,501,371	\$ 243,017,860	\$ 247,192,788	\$ 164,591,692

*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

12/31/2016	12/31/2017	12/31/2018**	12/31/2019	12/31/2020	12/31/2021
\$ 142,096,216	\$ 149,053,177	\$ 152,560,713	\$ 155,122,107	\$ 154,273,910	\$ 161,981,905
18,509,205	24,218,253	28,327,246	35,183,379	34,208,521	42,337,453
(39,209,690)	(44,770,477)	(59,581,979)	(56,415,754)	(40,467,843)	(31,283,970)
<u>\$ 121,395,731</u>	<u>\$ 128,500,953</u>	<u>\$ 121,305,980</u>	<u>\$ 133,889,732</u>	<u>\$ 148,014,588</u>	<u>\$ 173,035,388</u>
\$ 26,986,838	\$ 27,007,689	\$ 26,289,779	\$ 29,772,932	\$ 32,517,538	\$ 36,802,195
-	-	-	-	-	-
19,093,045	20,027,518	21,386,688	19,819,331	28,575,496	38,148,156
<u>\$ 46,079,883</u>	<u>\$ 47,035,207</u>	<u>\$ 47,676,467</u>	<u>\$ 49,592,263</u>	<u>\$ 61,093,034</u>	<u>\$ 74,950,351</u>
\$ 169,083,054	\$ 176,060,866	\$ 178,850,492	\$ 184,895,039	\$ 186,791,448	\$ 190,996,444
18,509,205	24,218,253	28,327,246	35,183,379	34,208,521	42,337,453
(20,116,645)	(24,742,959)	(38,195,291)	(36,596,423)	(11,892,347)	14,651,842
<u>\$ 167,475,614</u>	<u>\$ 175,536,160</u>	<u>\$ 168,982,447</u>	<u>\$ 183,481,995</u>	<u>\$ 209,107,622</u>	<u>\$ 247,985,739</u>

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	4/30/2013	4/30/2014	4/30/2015	12/31/2015
EXPENSES				
Governmental activities				
General government	\$ 5,373,174	\$ 5,194,272	\$ 6,959,759	\$ 5,640,281
Public safety	43,129,040	43,866,734	44,806,959	42,999,869
Highways and streets	19,692,580	23,532,913	22,995,777	11,731,508
Community development	5,734,706	2,642,799	2,288,259	2,951,484
Health and welfare	2,137,300	5,337,880	5,878,038	4,396,910
Interest	1,896,757	1,563,358	1,532,740	888,689
Total governmental activities expenses	77,963,557	82,137,956	84,461,532	68,608,741
Business-type activities				
Water and sewer	15,722,016	15,537,127	16,252,073	12,744,878
Solid waste disposal	1,312,457	1,230,310	1,274,638	961,329
Arts, entertainment, and events	511,705	698,518	991,928	570,146
Total business-type activities expenses	17,546,178	17,465,955	18,518,639	14,276,353
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 95,509,735	\$ 99,603,911	\$ 102,980,171	\$ 82,885,094
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 4,978,268	\$ 4,337,694	\$ 4,129,774	\$ 3,105,322
Public safety	2,929,501	3,050,316	3,072,951	2,088,265
Highways and streets	3,016,225	3,253,819	3,213,901	2,322,624
Community development	1,681,786	31,751	43,722	22,680
Health and welfare	44,896	1,375,624	1,474,210	1,055,370
Operating grants and contributions	2,953,559	2,787,401	4,662,077	1,834,378
Capital grants and contributions	1,821,768	1,501,300	133,187	-
Total governmental activities program revenues	17,426,003	16,337,905	16,729,822	10,428,639
Business-type activities				
Charges for services				
Water and sewer	14,344,566	14,232,051	14,125,562	10,323,750
Solid waste disposal	1,593,605	1,575,908	1,759,911	1,310,604
Art, entertainment, and events	74,611	149,351	54,851	85,288
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	16,012,782	15,957,310	15,940,324	11,719,642
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 33,438,785	\$ 32,295,215	\$ 32,670,146	\$ 22,148,281
NET REVENUE (EXPENSE)				
Governmental activities	\$ (60,537,554)	\$ (65,800,051)	\$ (67,731,710)	\$ (58,180,102)
Business-type activities	(1,533,396)	(1,508,645)	(2,578,315)	(2,556,711)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (62,070,950)	\$ (67,308,696)	\$ (70,310,025)	\$ (60,736,813)

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ 3,445,379	\$ 5,608,591	\$ 6,495,468	\$ 5,364,493	\$ 3,600,858	\$ 4,214,032
48,437,685	46,568,027	49,573,397	49,917,159	42,532,970	41,568,604
20,548,648	19,554,637	25,126,598	25,021,840	22,991,086	23,098,121
7,143,680	8,003,031	2,312,172	5,212,443	5,156,663	5,098,029
3,130,134	4,031,072	7,010,034	2,424,569	2,265,578	2,212,596
2,097,362	1,971,409	1,881,323	2,366,030	1,887,498	1,870,744
84,802,888	85,736,767	92,398,992	90,306,534	78,434,653	78,062,126
21,138,874	18,016,038	18,246,576	17,931,202	19,409,330	17,909,075
1,117,379	1,283,229	1,468,304	1,577,690	1,522,125	1,615,341
752,236	876,108	820,253	887,553	453,799	774,766
23,008,489	20,175,375	20,535,133	20,396,445	21,385,254	20,299,182
\$ 107,811,377	\$ 105,912,142	\$ 112,934,125	\$ 110,702,979	\$ 99,819,907	\$ 98,361,308
\$ 4,637,586	\$ 4,356,699	\$ 4,649,160	\$ 6,347,691	\$ 4,912,266	\$ 5,638,509
2,979,377	2,963,757	3,760,239	3,985,006	3,456,755	4,582,496
3,218,925	3,885,739	5,238,289	1,397,660	941,971	801,674
1,592,920	1,575,254	16,692	2,056,866	1,918,652	2,101,097
22,905	21,214	1,479,730	42,343	37,889	54,715
-	2,605,115	2,757,894	3,340,537	5,854,802	4,559,833
2,464,157	875,699	297,950	1,970,000	-	4,149,817
14,915,870	16,283,477	18,199,954	19,140,103	17,122,335	21,888,141
17,256,513	18,858,921	18,967,266	19,259,539	20,769,646	21,711,866
1,676,467	1,946,842	1,892,921	1,965,249	1,915,616	1,969,866
130,121	126,166	131,426	135,258	73,690	101,067
-	-	-	-	-	3,102,920
19,063,101	20,931,929	20,991,613	21,360,046	22,758,952	26,885,719
\$ 33,978,971	\$ 37,215,406	\$ 39,191,567	\$ 40,500,149	\$ 39,881,287	\$ 48,773,860
\$ (69,887,018)	\$ (69,453,290)	\$ (74,199,038)	\$ (71,166,431)	\$ (61,312,318)	\$ (56,173,985)
(3,945,388)	756,554	456,480	963,601	1,373,698	6,586,537
\$ (73,832,406)	\$ (68,696,736)	\$ (73,742,558)	\$ (70,202,830)	\$ (59,938,620)	\$ (49,587,448)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	4/30/2013	4/30/2014	4/30/2015	12/31/2015
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	\$ 30,390,556	\$ 30,637,670	\$ 31,550,695	\$ 31,960,632
Utility	5,568,711	5,805,227	5,499,718	2,827,748
Home rule sales	6,582,209	7,033,558	7,310,625	5,097,810
Food and beverage	1,843,337	1,881,211	2,003,859	1,437,299
Hotel	959,547	968,827	1,032,228	777,052
Telecommunications	3,606,605	3,244,472	3,199,974	2,037,305
Foreign fire insurance	129,456	146,650	134,186	137,450
Other	57,439	313,140	320,071	286,444
Intergovernmental				
Sales	10,333,345	11,488,156	12,060,996	8,423,387
Use	1,190,737	1,340,067	1,520,258	1,147,270
Replacement	415,244	466,766	454,992	283,613
Shared income tax	6,768,141	7,318,303	7,354,986	5,254,518
Investment earnings	201,421	285,637	246,993	121,491
Miscellaneous	634,380	1,458,299	1,098,755	837,890
Transfers	-	-	-	-
Total governmental activities	68,681,128	72,387,983	73,788,336	60,629,909
Business-type activities				
Investment earnings	23,362	22,143	20,818	9,806
Food and beverage	460,424	470,918	498,638	367,339
Miscellaneous	178,341	(55,859)	177,461	300,721
Transfers	-	-	-	-
Total business-type activities	662,127	437,202	696,917	677,866
TOTAL PRIMARY GOVERNMENT	\$ 69,343,255	\$ 72,825,185	\$ 74,485,253	\$ 61,307,775
CHANGE IN NET POSITION				
Governmental activities	\$ 8,143,574	\$ 6,587,932	\$ 6,056,626	\$ 2,449,807
Business-type activities	(871,269)	(1,071,443)	(1,881,398)	(1,878,845)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ 7,272,305	\$ 5,516,489	\$ 4,175,228	\$ 570,962

Data Source

Audited Financial Statements

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ 33,774,122	\$ 35,031,674	\$ 36,975,524	\$ 37,873,650	\$ 39,097,436	\$ 39,175,623
5,195,181	4,988,209	5,417,711	5,220,745	4,892,355	4,943,577
6,999,693	6,667,772	7,155,629	7,201,491	6,206,316	8,757,129
1,944,185	1,970,860	2,076,857	2,079,454	1,577,787	2,139,900
1,096,755	1,043,795	1,078,944	1,109,349	408,888	641,947
3,116,898	2,586,731	2,437,145	2,356,604	1,868,788	1,684,735
129,877	131,628	129,452	134,895	151,399	157,551
335,157	297,053	304,679	61,304	20,109	50,558
12,377,718	12,064,683	12,927,772	12,914,676	12,480,915	15,162,957
1,807,251	2,027,665	2,027,665	2,488,121	3,290,912	2,961,695
430,829	464,689	422,905	523,154	470,094	816,967
7,310,634	6,897,965	7,192,128	7,993,678	8,161,144	9,939,827
435,523	828,070	1,616,187	1,720,017	410,745	75,345
1,051,604	1,057,718	2,006,603	1,638,848	4,116,654	1,730,316
500,000	500,000	479,988	434,197	(8,545,232)	(6,650,000)
76,505,427	76,558,512	82,249,189	83,750,183	74,608,310	81,588,127
21,865	41,816	93,529	139,045	25,914	14,898
649,046	656,954	692,286	693,535	519,327	713,530
39,990	-	499,882	553,812	794,733	492,282
(500,000)	(500,000)	(479,988)	(434,197)	8,545,232	6,650,000
210,901	198,770	805,709	952,195	9,885,206	7,870,710
\$ 76,716,328	\$ 76,757,282	\$ 83,054,898	\$ 84,702,378	\$ 84,493,516	\$ 89,458,837
\$ 6,618,409	\$ 7,105,222	\$ 8,050,151	\$ 12,583,752	\$ 13,295,992	\$ 25,414,142
(3,734,487)	955,324	1,262,189	1,915,796	11,258,904	14,457,247
\$ 2,883,922	\$ 8,060,546	\$ 9,312,340	\$ 14,499,548	\$ 24,554,896	\$ 39,871,389

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	4/30/2013	4/30/2014	4/30/2015	12/31/2015
GENERAL FUND				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	208,379	317,836	189,328	172,973
Unrestricted				
Assigned	592,930	749,295	874,315	817,143
Unassigned	22,321,417	22,942,073	23,252,947	27,536,053
TOTAL GENERAL FUND	\$ 23,122,726	\$ 24,009,204	\$ 24,316,590	\$ 28,526,169
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in				
Special Revenue Funds	-	-	-	-
Capital Project Funds	-	-	-	-
Nonspendable	257,979	438,742	399,794	370,479
Restricted	17,517,983	17,361,269	24,540,110	22,074,564
Unrestricted				
Assigned	10,156,751	9,352,188	10,270,809	13,329,568
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 27,932,713	\$ 27,152,199	\$ 35,210,713	\$ 35,774,611

Data Source

Audited Financial Statements

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
192,691	117,663	345,557	285,700	178,689	251,657
844,034	1,524,370	1,205,581	808,622	1,520,029	844,796
30,271,109	29,005,220	29,154,102	29,784,407	28,888,256	29,561,812
\$ 31,307,834	\$ 30,647,253	\$ 30,705,240	\$ 30,878,729	\$ 30,586,974	\$ 30,658,265
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
232,130	178,480	46,394	20,075	64,243	8,411
18,683,413	24,378,960	37,423,894	38,005,083	47,908,521	47,458,344
13,329,568	31,177,516	8,418,536	5,486,796	6,671,873	6,077,199
\$ 32,245,111	\$ 55,734,956	\$ 45,888,824	\$ 43,511,954	\$ 54,644,637	\$ 53,543,954

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	4/30/2013	4/30/2014	4/30/2015	12/31/2015
REVENUES				
Taxes	\$ 60,947,768	\$ 49,884,105	\$ 50,917,170	\$ 44,424,290
Intergovernmental	9,428,030	20,686,642	21,621,147	15,246,238
Grants and contributions	1,447,303	4,288,701	4,699,535	1,834,378
Charges for services	2,052,554	5,284,463	5,230,607	3,758,085
Licenses and permits	4,289,920	5,989,935	5,862,746	4,317,478
Fines and fees	6,051,687	755,196	804,726	500,620
Investment income	201,421	218,686	182,615	88,530
Rents and reimbursables	436,635	-	-	-
Miscellaneous	454,263	1,477,909	1,135,234	855,968
Total revenues	85,309,581	88,585,637	90,453,780	71,025,587
EXPENDITURES				
General government	4,698,107	4,277,526	4,636,827	3,219,631
Public safety	42,291,156	43,012,679	44,609,076	33,515,656
Highways and streets	11,089,158	12,460,690	13,140,609	8,854,213
Community development	5,129,100	2,600,895	2,268,019	1,577,298
Health and welfare	2,153,765	5,382,571	5,469,806	3,951,512
Capital outlay	8,358,862	11,467,725	12,133,539	7,277,852
Debt service				
Principal retirement	5,835,000	6,160,000	6,475,000	6,455,000
Interest and fiscal charges	1,739,404	1,624,978	1,442,549	1,400,954
Other charges	-	-	-	-
Total expenditures	81,294,552	86,987,064	90,175,425	66,252,116
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,015,029	1,598,573	278,355	4,773,471
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	7,755,000	7,625,000	-
Bond premium (discount)	-	862,170	460,605	-
Payment to escrow agent	-	(8,568,476)	-	-
Transfers in	5,775,747	3,613,688	9,444,113	6,755,513
Transfers (out)	(6,175,747)	5,213,688	(9,444,113)	(6,755,513)
Proceeds from sale of capital assets	-	-	1,940	-
Total other financing sources (uses)	(400,000)	8,876,070	8,087,545	-
NET CHANGE IN FUND BALANCES	\$ 3,615,029	\$ 10,474,643	\$ 8,365,900	\$ 4,773,471
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	11.09%	9.32%	9.15%	9.15%

Data Source

Audited Financial Statements

12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
\$ 52,461,991	\$ 52,586,094	\$ 55,446,489	\$ 56,037,492	\$ 54,223,078	\$ 57,551,020
22,252,920	24,022,799	22,424,922	28,544,577	27,165,106	31,886,916
2,267,546	985,445	3,055,844	685,589	3,222,027	5,833,446
5,192,297	5,909,847	8,127,866	3,225,423	2,779,841	2,847,254
6,529,300	6,211,862	6,382,208	4,834,759	3,372,026	4,076,369
710,352	664,035	625,309	5,944,102	5,222,196	6,449,661
355,443	689,104	1,312,157	1,720,017	410,745	75,345
-	-	-	-	-	-
1,071,368	1,074,637	2,015,330	1,464,130	1,566,432	1,685,847
90,841,217	92,143,823	99,390,125	102,456,089	97,961,451	110,405,858
4,680,170	4,471,299	4,552,993	4,946,789	5,084,688	5,235,495
46,071,577	46,398,789	50,975,181	52,144,753	50,011,598	51,089,154
13,114,009	12,623,702	13,500,715	13,962,880	13,322,453	13,582,872
5,955,261	7,974,896	2,186,836	4,686,797	4,941,849	5,147,502
2,331,430	2,280,772	6,610,045	2,228,965	2,277,085	2,331,983
14,224,083	19,935,951	34,512,902	19,259,834	8,974,970	16,717,911
5,215,000	4,995,000	5,240,000	5,650,000	5,690,000	5,075,000
2,459,907	2,094,718	2,078,904	2,110,912	1,977,545	2,405,333
-	-	-	110,752	154,600	-
94,051,437	100,775,127	119,657,576	105,101,682	92,434,788	101,585,250
(3,210,220)	(8,631,304)	(20,267,451)	(2,645,593)	5,526,663	8,820,608
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)	-	-
915,000	6,898,372	1,711,000	2,924,649	1,383,100	4,293,561
(415,000)	(8,398,372)	(1,231,012)	(2,490,452)	(9,928,332)	(14,143,561)
-	-	-	-	-	-
35,422,953	(1,500,000)	10,479,306	442,212	5,314,265	(9,850,000)
\$ 32,212,733	\$ (10,131,304)	\$ (9,788,145)	\$ (2,203,381)	\$ 10,840,928	\$ (1,029,392)
12.58%	8.81%	8.09%	7.93%	9.03%	8.03%

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

**POLICE PENSION FUND
TAX LEVIES AND CONTRIBUTIONS**

Last Ten Levy Years

Levy Year	Annual Actuarial Requirement from Actuary	Actual Amount Levied	Percentage of Annual Required Contribution from Actuary	Recognized for Annual Required Contribution from Actuary	Actual Revenue Recognized in Fiscal Year
2010	\$ 4,288,185	\$ 4,288,000	100%	\$ 4,288,000	41,394
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
2020	4,072,578	4,073,000	100%	4,073,000	2021

*For the eight months ended December 31, 2015.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND TAX LEVIES AND CONTRIBUTIONS

Last Ten Levy Years

Levy Year	Annual Actuarial Requirement from Actuary		Actual Amount Levied	Percentage of Annual Required Contribution from Actuary	Recognized for Annual Required Contribution from Actuary	Actual Revenue Recognized in Fiscal Year
2010	\$	4,574,540	\$ 4,566,780	100%	\$ 4,566,780	41,394
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
2020		4,912,161	4,913,000	100%	4,913,000	2021

*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

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate
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
2020	2,409,134,826	805,015,324	172,043,750	1,574,501	3,387,768,401	10,164,321,635	1.5460

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

Tax Levy Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tax rates per \$100 of EAV										
Village direct rates										
Village of Arlington Heights	0.9550	1.0620	1.2700	1.2690	1.3590	1.1820	1.2170	1.2650	1.1080	1.1120
Arlington Heights Memorial Library	0.4300	0.4700	0.5480	0.5470	0.5660	0.4830	0.4790	0.4930	0.4320	0.4340
Total Village direct rate	1.3850	1.5320	1.8180	1.8160	1.9250	1.6650	1.6960	1.7580	1.5400	1.5460
Overlapping rates										
County (including Forest Preserve)	0.5200	0.5940	0.6600	0.6370	0.6210	0.5960	0.5580	0.5490	0.5130	0.5110
Metro Reclamation District	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.9600	0.3890	0.3780
School District #25	3.1010	3.4160	3.6590	3.6780	3.9900	3.4240	3.4880	3.6170	3.2460	3.3340
School District #214	2.0670	2.3240	2.7680	2.7760	2.8810	2.5270	2.5630	2.6690	2.3560	2.3820
School District #512	0.3340	0.3730	0.4440	0.4510	0.4660	0.4190	0.4250	0.4430	0.4030	0.4090
Park District's	0.4960	0.5450	0.6330	0.6360	0.6260	0.4880	0.4940	0.5140	0.4570	0.4690
Wheeling Township	0.0480	0.0520	0.0560	0.0520	0.0550	0.0410	0.0430	0.0430	0.0380	0.0370
Other	0.0590	0.0360	0.0420	0.0420	0.0410	0.0320	0.0340	0.0360	0.0330	0.0310
Total Tax Rate Per \$100 of EAV	8.3300	9.2420	10.4970	10.5180	11.0310	9.5980	9.7030	10.5890	8.9750	9.0970

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2021 (based on 2020 EAV)			2012 (based on 2011 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	\$ 58,244,415	1	1.719%			
Luther Village	43,894,479	2	1.296%	\$ 43,849,356	1	1.417%
E Property Tax Ridge Plaza	36,726,225	3	1.084%	10,134,826	9	0.328%
Arlington Park Racetrack	25,075,563	4	0.740%	28,884,777	3	0.934%
JRK Property Holdings	20,916,630	5	0.617%			
Town and Country Chicago	20,700,000	6	0.611%	20,565,525	4	0.665%
200 Arlington Place	19,200,000	7	0.567%			
AmCap Northpoint LLC	18,953,979	8	0.559%	19,437,789	5	0.628%
Stonebridge Village	18,882,993	9	0.557%			
RMR Group Five Star Senior Living	17,982,558	10	0.531%			
Nokia Siemens Networks	-	-	-	32,452,830	2	1.049%
New Plan Excel Realty Trust	-	-	-	19,196,207	6	0.620%
Robin Reality Management	-	-	-	9,998,123	10	0.323%
Tanglewood Apartments	-	-	-	11,938,422	7	0.386%
YPI Arlington	-	-	-	10,833,774	8	0.350%
	<u>\$ 280,576,842</u>		<u>8.281%</u>	<u>\$ 207,291,629</u>		<u>6.700%</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
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%
2020	37,908,532	37,533,200	99.01%	-	37,533,200	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 Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Gross General Obligation Bonds	Gross General Obligation Bonds	Capital Leases				
4/30/2013	\$ 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
2021	61,499,590	-	-		61,499,590	1.54%	791.75

*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
4/30/2013	\$ 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
2021	61,499,590	1,937,002	-	59,562,588	0.59%	766.81

*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 163 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, 2021

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Arlington Heights*	Village of Arlington Heights Share of Debt
Village of Arlington Heights - General Obligation	\$ 61,499,590	100.000%	\$ 61,499,590
Total direct debt	<u>61,499,590</u>		<u>61,499,590</u>
Community College District 512	254,770,000	16.732%	42,628,116
Arlington Heights School District 25	40,250,000	96.701%	38,922,153
Cook County School District 15	43,375,000	3.449%	1,496,004
Cook County School District 21	88,265,000	23.787%	20,995,596
Cook County School District 59	28,830,000	12.848%	3,704,078
Prospect Heights School District 23	10,500,000	35.220%	3,698,100
Arlington Heights School District 214	27,650,000	32.696%	9,040,444
Cook County School District 57	5,970,000	4.616%	275,575
Cook County	2,642,000,000	1.948%	51,466,160
Forest Preserve of Cook County	130,570,000	1.948%	2,543,504
Metropolitan Water Reclamation District of Greater Chicago	2,694,934,000	1.948%	52,497,314
Arlington Heights Park District	20,937,000	96.583%	20,221,583
Buffalo Grove Park District	13,658,000	14.819%	2,023,979
Prospect Heights Park District	6,700,260	5.041%	337,760
Mount Prospect Park District	17,835,025	2.951%	526,312
Palatine Park District	18,880,000	1.183%	223,350
Salt Creek Park District	<u>1,660,000</u>	35.422%	<u>588,005</u>
Total overlapping debt	<u>6,046,784,285</u>		<u>251,188,033</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 6,108,283,875</u>		<u>\$ 312,687,623</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 2020 Equalized Assessed Valuations.

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2021

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Fiscal Year	(1) Population	(1) Personal Income	Per Capita Personal Income	(2) Unemployment Rate
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% **
2021	77,676	3,987,885,840	51,340	5.30%

*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	2021			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	1,670	4.59%
HSBC	4	1,500	3.46%			
Lutheran Home	5	800	1.85%	5	700	1.92%
Paddock Publications	6	500	1.15%	7	550	1.51%
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	281	0.77%
Webber Marking Systems, Inc				10	256	0.70%
		<u>14,450</u>	<u>33.36%</u>		<u>14,251</u>	<u>39.14%</u>

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

Fiscal Year	4/30/2013	4/30/2014	4/30/2015	2015*	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT										
Manager's office	6.00	6.00	5.00	5.00	5.00	5.50	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	1.75
Finance	17.50	17.50	18.00	18.00	17.50	17.50	17.50	17.00	17.00	16.50
IT	5.00	5.00	5.00	5.00	5.00	6.00	5.00	5.00	6.00	6.00
GIS	1.00	1.00	1.00	1.00	1.00	-	-	-	-	-
PUBLIC SAFETY										
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	2.00	2.00	2.00	2.00	2.00	2.00
COMMUNITY DEVELOPMENT										
Planning and community development	9.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Building	16.00	16.00	16.50	16.50	17.00	17.00	17.50	17.50	18.00	18.00
HEALTH AND WELFARE										
Health services	9.50	9.50	9.50	9.50	10.00	10.00	9.50	9.50	9.50	9.50
Senior services	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
HIGHWAYS AND STREETS										
Public works	42.25	42.25	42.25	42.25	42.25	42.25	41.25	42.25	42.25	42.25
Engineering	10.00	10.00	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00
OTHER PUBLIC WORKS										
Water utility operations	40.75	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
TOTAL	427.25	427.25	427.25	427.25	428.25	428.75	426.75	426.25	427.75	426.25

*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

Function/Program	4/30/2013	4/30/2014	4/30/2015	2015*	2016	2017	2018	2019	2020	2021
PUBLIC SAFETY										
Police										
Service calls	11,569	23,678	24,148	16,527	25,919	32,732	22,875	21,823	20,084	40,787
Total crime reported	1,111	2,270	2,196	2,019	2,559	2,189	1,937	2,049	1,615	1,769
Arrests	1,006	1,073	921	558	824	657	592	840	558	599
Citations issued	15,918	27,584	29,795	19,000	27,935	24,944	23,306	21,423	12,832	17,961
Fire										
Service calls (EMS)	3,283	6,667	6,779	4,648	7,581	7,369	7,515	8,063	7,433	8,126
Service calls (non-EMS)	1,559	3,266	3,286	2,101	2,620	2,676	2,814	2,644	2,256	2,323
PUBLIC WORKS										
Snow removal (miles)	24,843	91,651	52,072	14,727	51,044	18,541	60,762	62,784	13,862	49,135
Streets resurfaced (miles)	1.60	8.10	8.10	7.45	7.08	5.80	6.00	9.73	5.50	6.45
WATER										
Water main breaks	100	244	157	228	228	240	244	252	163	188
Sewer repairs	5	28	32	60	20	13	12	15	8	16
Average daily consumption	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	7.11 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

Function/Program	4/30/2013	4/30/2014	4/30/2015	2015*	2016	2017	2018	2019	2020	2021
PUBLIC SAFETY										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Marked police vehicles	44	44	44	44	44	44	33	35	35	35
Unmarked police vehicles	17	17	17	18	19	19	29	25	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	5	5	5	5	5	5	5
Fire ladder trucks	2	2	2	2	2	2	2	2	2	2
Rescue squads	4	4	4	5	4	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	7	7	8	8	8	8	8	8	8
PUBLIC WORKS										
Streets (miles)	230	230	230	230	241	241	241	241	241	241
Streetlights	3,212	3,212	3,865	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
WATER										
Water mains (miles)	253	253	260	260	260	260	260	260	260	263
Fire hydrants	2,740	2,740	3,318	3,318	3,318	3,318	3,329	3,318	3,318	3,318
Storage capacity (gallons)	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	31,000,000
WASTEWATER										
Sanitary sewers (miles)	227	227	255	255	255	261	255	265	265	178
Storm sewers (miles)	163	163	213	213	213	228	213	236	236	195

*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