



City of Prospect Heights, Illinois

Annual Comprehensive Financial Report

Year End April 30, 2023



Prepared by:
The Finance Department

CITY OF PROSPECT HEIGHTS, ILLINOIS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED APRIL 30, 2023

PREPARED BY:
FINANCE DEPARTMENT

CITY OF PROSPECT HEIGHTS, ILLINOIS
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INTRODUCTORY SECTION



March 6, 2024

Mayor, Members of the City Council and
Citizens of the City of Prospect Heights

The Annual Comprehensive Financial Report (ACFR) of the City of Prospect Heights (City) for the year ended April 30, 2023 is hereby submitted as required by the Illinois Compiled Statutes. State law requires that the City issue annually a report on its financial position and activity that is 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 City of Prospect Heights. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Prospect Heights' financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City'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 City's financial statements have been audited by Eccezion, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Prospect Heights for the fiscal year ended April 30, 2023 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 auditors concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended April 30, 2023 are fairly presented in conformity with GAAP. The independent auditors' report, located on pages 1-3, is presented as the first component of the financial section of this report.

GAAP requires that management provide a "Management's Discussion and Analysis" (MD&A) narrative providing an introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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Profile of the City of Prospect Heights

The City of Prospect Heights is located approximately 26 miles northwest of the City of Chicago in Cook County, Illinois. Originally settled by dairy farmers in the 1830s, the area experienced a boom in residential growth following the end of World War II and was incorporated as a City on January 31, 1976. The City has a population of 15,887 (2019 Census) and encompasses an area of approximately 4.5 square miles. It is a non-home rule community, as defined by the Illinois Constitution. The City is an established, primarily residential community best known for single-family homes on large lots, a minimum of half-acre in size. In addition, it offers condominium and apartment housing in a breadth of price ranges.

The City operates under the Council/Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and five Aldermen. Some of the City Council's more significant responsibilities include adopting the budget; passing ordinances; appointing members to Boards, Committees, and Commissions; and hiring the City Administrator and City Attorney. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing day-to-day operations of the City, and for appointing employees, including the City's department heads. The Mayor, City Clerk, and City Treasurer are elected from the population at-large to four-year terms. Aldermen are elected from five wards on the basis of ward representation and serve four-year terms.

The City provides a full range of services including police protection; planning and zoning; maintenance of streets and infrastructure; sanitary and storm sewer maintenance; water distribution to selected areas of the community; maintenance of a commuter parking lot; and general administrative services.

Local Economy: There are a number of factors that influence the economy of a specific community and various measures are used to gauge the economic outlook. Perhaps four of the most objective measures are the level of retail sales, the employment level of the community, income levels in the community, and building activity. In Illinois, sales taxes are allocated based upon the point-of-sale, and, accordingly, represent the sales in the community. Total sales and use tax receipts for the fiscal year ended April 30, 2023 were \$2,392,599 compared to \$2,311,688 for the previous year.

The City of Prospect Heights' average unemployment rate as of June 2023 was 4.7%, which was down from 7.6% in the previous year. The City of Prospect Heights had a median family income of \$72,500, as of the 2020 Census, which was 5% higher than the State of Illinois average and 6% greater than the national average.



For fiscal year 2023, the City issued 629 construction permits (residential and commercial) valued at \$19.08 million, as compared to 553 permits the previous year with a value of \$13.43 million. The City is an established community with limited available open space for either residential or commercial development. Historically, residential permit activity has focused on home remodeling, tear-down and rebuilding on existing lots and home improvement projects of existing homes. There has been increase in home remodeling, rebuilding on existing lots and home improvement projects that accounts for the increase in permit activity. Commercial permit activity has been limited to redevelopment of existing business locations, with the occasional redevelopment of vacant buildings and land.

Financial Planning: The City's continued process of Strategic Financial Planning has ensured the long-term viability of the City, its services, capital assets, and infrastructure. The process has been in place to maintain the desirability of the community; with the long-term goal being to retain or increase its population and attract new businesses. The three main categories addressed as part of the planning process included the need to stabilize the operating budget through a combination of increased revenues and reduced or stabilized expenditures; reduction in outstanding debt; and assessment and development of a capital replacement program. A five-year capital Improvement Plan was developed and approved as part of the 2023-2027 operating and capital budget.

The City's primary focus has been on stabilizing its operating budget. On the revenue side, the City has implemented fee increases, instituted a Places for Eating tax, Video Gaming tax, increased enforcement and collection of existing revenues, and researched and compiled a database of revenue streams available to or in use by non-home rule municipalities in Illinois. On the expense side, personnel costs represent the single largest operating expense. In FY2023, the City maintained the same staffing as the prior year with no increases. The City continues to utilize outside contractors for engineering and inspection services.

The last component of the plan is to develop a capital asset and infrastructure replacement program. The City recognizes the importance of this plan, especially the need to replace its deteriorating streets. In 2008, the City did complete an assessment of its streets, their condition, and projected replacement cost. On November 2, 2010, the City Council asked for and received approval from the voters to issue \$15 million in general obligation bonds to provide funding to reconstruct its streets, as well as complete other capital and infrastructure improvements. All phases of this project were completed by the end of FY2014.



Major Initiatives

City departments were involved in a variety of projects throughout the year. Among the highlights of fiscal year 2023 are the following initiatives and accomplishments.

Administration

- Continued oversight of construction on Arlington Countryside Storm Water Management Project with anticipated completion Summer 2023.
- Applied for, and awarded \$2,417,127 Community Project Funding grant, sponsored by U.S. Representative Jan Schakowsky, for the River Trails Storm Water Management Improvement Project.
- Provided staff support to Boards and Commissions.
- Delivered 2023-2028 Capital Improvement Plan.
- Coordinated with Building Department to begin the process of incorporating building permits into the City's current Caselle permitting and billing system.
- Continued oversight of Wolf Road sidewalk project engineering with start of construction anticipated Fall of 2023 with completion in Spring 2024.
- Continued Camp McDonald Road sidewalk engineering planning process for Phase I and Phase II.
- Continued Willow Road planning process with Metropolitan Water Reclamation District and Cook County Department of Transportation.
- Completed Flood Prone Properties Partnership with Metropolitan Water Reclamation District for the purchase and demolition of the property at 214 S Wheeling Road to increase green space and improved water compensatory storage for the area.

Building & Community Development Department

- Allstate Redevelopment: Building & Development efforts processing of the Dermody zoning application in a thorough and timely manner were critical in reaching a favorable IGA with the Village of Glenview for the redevelopment of the Allstate campus on Sanders Road.
- New Hires: Two new hires were completed during the fiscal year due to retirements of two long term inspectors.
- New Restaurants: During FY 22/23 the Building & Development processed seven applications for new restaurants that were approved by City Council.
 - o Taco Maya – Opened October 2022
 - o Lily's Taste - Opened January 2023
 - o Evropa Grill – Opened February 2023
 - o Pizza Pavia – Opened March 2023
 - o Wing Stop – Under construction. Opening May 2023



- o Jet's Pizza – Under construction. Opening summer 2023
- o Bar Solatto – Under construction. Opening summer 2023

- Building Permit Activity

- o Plan Reviews Performed: 723
- o Permits Issued: 593
- o Permit Fees Collected: \$303,028
- o Construction Value: \$19,089,596

Engineering

- Began Phase 2 design engineering process and submitted 60% design submittal for the Willow Road/Owen Court Storm Water Management Improvement
- Coordinated with IDNR and the US Army Corps of Engineers to develop plans and submit a permit application to IDOT for the closure of a storm sewer pipe at Levee 37
- Substantially completed construction for the Arlington Countryside storm sewer improvement
- Completed the acquisition of a flood prone property at 214 S. Wheeling Road and received reimbursement from the Metropolitan Water Reclamation District
- Completed design, solicited bids, awarded the construction contract for the replacement of underground fuel tanks at the Public Works facility.
- Submitted pre-final engineering plans and initiated land acquisition for the Wolf Road Sidewalk - Palatine Road to Train Station
- Began Phase 1 preliminary engineering process for the Camp McDonald Sidewalk – IL 83 to Wheeling Road.

Police Department

- Hiring of the very first Prospect Heights Social Worker
- The PHPD has 2 of their own Certified Rapid Deployment and High-Risk Traffic Stop Instructors (Mandated training by the State of Illinois as of 2023)
- Purchased new IN-HOUSE camera system to replace the 20-year-old, outdated system
- Initiated a Comfort Dog program-A black Lab named “Rocco”
- Overhauled the Sergeant’s exam to include a “High Risk Incident” scenario
- Installed 5 new cameras on the East Side of town to replace 2011 models
- Hired one Part-time Officer for Nightshift
- Completed Juvenile Expungement (Complainant with state law mandate)
- New 2023 Dodge Durango added to fleet



Public Works Department

- Maintained 50 City vehicles- Police cars, Public Works trucks, administration cars, and dozens of pieces of equipment
- Completed full inspection of freshwater system, including flushing all hydrants and full valve testing- meet all IEPA standards
- Worked with contractors to complete sanitary sewer maintenance plan for 2022-2023
- Completed full Levee 37 wall and gate cleaning and testing 2023
- Increased Covid-19 Building Services- upgraded air filtration standards, improved cleaning requirements, added sanitizer stations, and temperature check stations
- Lower expenditures across Public Works operations
- Improve response and tracking of resident concerns
- Completed Arlington Countryside Storm water project

Finance

- Worked with our investment advisors to further enhance the City's cash management practices to provided competitive rates on a national basis for certificates of deposit as well as other Treasury offerings.
- Approved the budget for fiscal year ending April 30, 2023, by the City Council and filed with the Cook County Clerk's office within the required time frame.
- Continued collection program for unpaid parking tickets and photo enforcement citations, with significant efforts made internally along with a third-party collection agency.
- System updates and enhancements to further develop automated processes and reconciliation procedures to provide more effective and efficient processing.
- Performed regular budgetary reviews to provide improved monitoring of the City's financial position.
- Worked with Administration and grant funding agencies to maximize federal and state pandemic relief funds.

Population Projections

As reported in the 2020 Census, the City had a population of 15,691, which reflected a decrease of 2%, or 369 people, as compared to the 2010 Census. This decline in population may impact several of the City's primary revenue streams, such as income tax, local use tax, and motor fuel tax allocation that are relied upon to support basic City services.



Awards

The Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for the year ended April 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded the Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is only valid for a period of one year. The City of Prospect Heights has received a Certificate of Achievement for eleven consecutive years (fiscal years ended 2012 through 2022). We believe that our current report, FY23, continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated services of the entire staff of the Finance Department, and the cooperation and assistance rendered by the staff of other operating departments of the City. I would like to express our appreciation to all of those employees who assisted and contributed to its preparation.

Finally, appreciation is expressed to the Mayor, City Council, City Administrator and Management for their leadership and support in planning and conducting the fiscal affairs of the City.

Respectfully submitted,

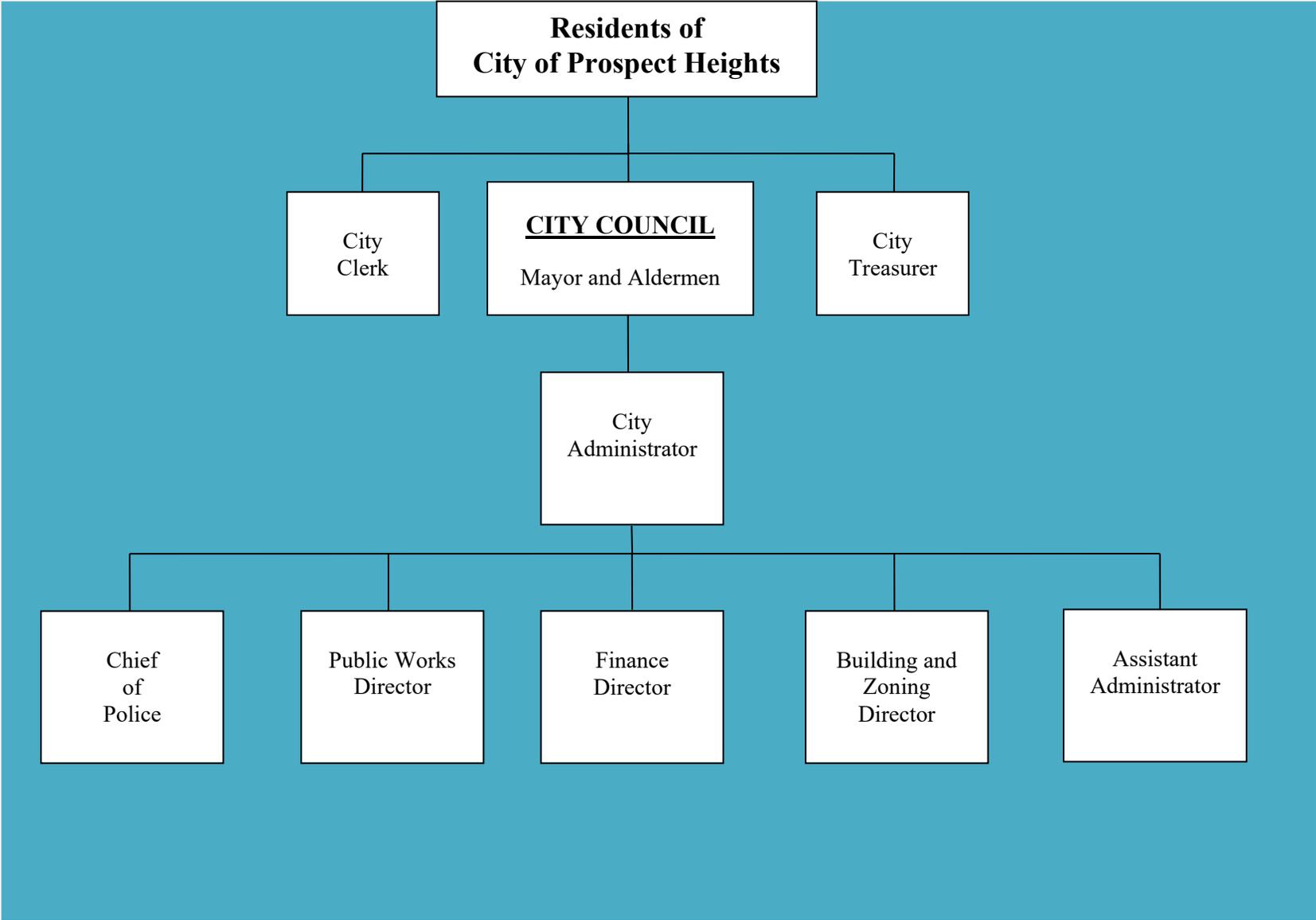
Cheri Grieco

Cheri Grieco, Finance Director

CITY OF PROSPECT HEIGHTS, ILLINOIS

Organizational Chart

April 30, 2023





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Prospect Heights
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

April 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF PROSPECT HEIGHTS, ILLINOIS

PRINCIPAL OFFICIALS

APRIL 30, 2023

CITY COUNCIL

Patrick Ludvigsen, Mayor

Michelle Cameron, Alderman

Danielle Dash, Alderman

Terry Anderson, Alderman

Matthew Dolick, Alderman

Wendy Morgan-Adams, Alderman

Joanna Prisiajniouk, City Clerk

Richard Tibbits, City Treasurer

ADMINISTRATION

Joe Wade, City Administrator

Chief of Police William Caponigro

Building and Zoning Director Dan Peterson

Finance Director Cheri Graefen

Public Works Director Mark Roscoe

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council Members
City of Prospect Heights
Prospect 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

City of Prospect Heights

as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 City of Prospect Heights as of April 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 those 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 City of Prospect Heights 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.

Change in Accounting Principle

As described in Note IV - H to the financial statements, the City implemented GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 City's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 risk 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 City of Prospect Heights'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 City of Prospect Heights'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed on 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 City's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

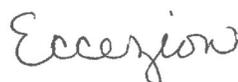
The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 March 6, 2024 on our consideration of City of Prospect Heights'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 solely 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 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 City of Prospect Heights's internal control over financial reporting and compliance.



Eccezion
Consulting • CPAs • Technology

McHenry, Illinois
March 6, 2024



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and City Council Members
City of Prospect Heights
Prospect Heights, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of

City of Prospect Heights

as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise City of Prospect Heights's basic financial statements, and have issued our report thereon dated March 6, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Prospect Heights's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Prospect Heights's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Prospect Heights's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



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McHenry, Illinois
March 6, 2024

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2023

The City of Prospect Heights' (the "City") Management's Discussion and Analysis is designed to (1) assist the reader in focusing on significant issues, (2) provide an overview of the City's financial activity, (3) identify changes in the City's financial positions (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 the 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, which can be found in the Introductory Section, and the City's financial statements and footnotes, immediately following this MD&A.

USING THE FINANCIAL SECTION OF THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City's financial statements present two kinds of statements, each with a different snapshot of the City's finances. The financial statements' focus is on both the City 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 City's accountability.

Government-Wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial condition. Financial reporting at this level uses accounting similar to full accrual accounting such as in the private sector. Interfund activity is eliminated, the cost of assets with a long service life is spread out over future years, so that capital expenditures are amortized through depreciation when the benefits are realized, and long-term debt is reported.

The first government-wide statement is the Statement of Net Position that presents information about all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences reported as net position. Over a multiyear period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the City. Additionally, one would need to evaluate nonfinancial factors, such as the condition of the City's infrastructure, the satisfaction of the constituents, and other information beyond the scope of this report to make a more complete assessment of whether the City as a whole has improved.

The second government-wide statement is the Statement of Activities, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

The City of Prospect Heights' governmental activities include general government, public safety, public works, and Chicago Executive Airport. The business-type activities include the Water Fund, Sewer Fund, and Parking Fund. The Police Pension Plan fiduciary activity is not available to fund City programs, and, therefore, is not included in the government-wide statements but is presented in this document at the end of the fund financial statements.

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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds.

Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Unlike the government-wide financial statements, governmental fund financial information focuses on the near-term flow of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliation, on the page following each statement, to facilitate the comparison between governmental funds and governmental activities.

The City maintains 15 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 Fund, Motor Fuel Tax Fund, and Capital Projects Fund, because they are major funds, either by definition or through designation by the City. Major funds are defined as those governmental or enterprise funds whose total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses are at least 10% of the totals for all funds of that category (governmental or enterprise) and at least 5% of the combined totals for governmental and enterprise funds. The remaining eleven funds' data is combined into a single column labeled "nonmajor governmental funds."

Proprietary Funds

There are two categories of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has three enterprise funds, the Water Fund, Sewer Fund, and the Parking Fund. The City included the Airport Fund as separate propriety fund in prior years. The City now includes the Chicago Executive Airport as an asset in governmental activities.

Fiduciary Funds

The Police Pension Fund is the City's only fiduciary fund. This fiduciary fund is not reflected in the government-wide financial statements because its resources are not available to support the City's programs but are used to account for resources held for the benefit of the eligible police officers. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's funding of pension and other postemployment benefits obligations to its employees, and budget information.

Infrastructure Assets

A government's largest group of assets is typically its infrastructure (i.e. roads, bridges, storm sewers, etc.). A government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of road will be considered maintenance, whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The City's net position as of April 30, 2023 was \$100,732,940 which represents an increase of \$6,591,828 as compared to the April 30, 2022 amounts. The City's net position from governmental activities increased by \$5,797,266 and net position from business-type activities increased by \$794,562 based upon FY2022 balances. Table 1 below presents a summary of governmental and business-type net position as of April 30, 2023 compared to April 30, 2022.

	City of Prospect Heights' Statement of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Assets						
Current and Other Assets	\$ 80,638,656	\$ 79,056,644	\$ 5,968,580	\$ 5,218,820	\$ 86,607,236	\$ 84,275,464
Capital Assets	32,667,938	29,458,287	3,996,496	4,096,299	36,664,434	33,554,586
Total Assets	\$ 113,306,594	\$ 108,514,931	\$ 9,965,076	\$ 9,315,119	\$ 123,271,670	\$ 117,830,050
Deferred Outflow s of Resources	\$ 8,618,790	\$ 2,433,844	\$ 85,848	\$ 3,063	\$ 8,704,638	\$ 2,436,907
Liabilities						
Current Liabilities	\$ 2,157,543	\$ 1,401,094	\$ 96,135	\$ 48,309	\$ 2,253,678	\$ 1,449,403
Noncurrent Liabilities	6,849,663	8,261,708	157,249	225,559	7,006,912	8,487,267
IMRF Net Pension Liability	1,052,669	-	89,400	-	1,142,069	-
Net Police Pension Liability	17,403,744	10,496,477	-	-	17,403,744	10,496,477
Total OPEB Liability	1,544,543	1,665,848	98,990	110,486	1,643,533	1,776,334
Total Liabilities	\$ 29,008,162	\$ 21,825,127	\$ 441,774	\$ 384,354	\$ 29,449,936	\$ 22,209,481
Deferred Inflow s of Resources	\$ 1,793,432	\$ 3,797,124	\$ -	\$ 119,240	\$ 1,793,432	\$ 3,916,364
Net Position						
Net Investment in Capital						
Assets	\$ 26,229,394	\$ 21,528,171	\$ 3,851,496	\$ 3,881,299	\$ 30,080,890	\$ 25,409,470
Restricted	8,889,717	9,264,424	-	-	8,889,717	9,264,424
Unrestricted	56,004,679	54,533,929	5,757,654	4,933,289	61,762,333	59,467,218
Total Net Position	\$ 91,123,790	\$ 85,326,524	\$ 9,609,150	\$ 8,814,588	\$ 100,732,940	\$ 94,141,112

Normal Impacts on Net Position

Prior to discussing the current year's impacts on net position, it is helpful to first understand how six basic (normal) transactions impact the Statement of Net Position and the three categories under net position.

Net results of activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for capital – will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt, which will not change the net investment in capital assets.

Spending of non-borrowed current assets on new capital – will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal payment on debt – will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of capital assets through depreciation – will reduce capital assets and net investment in capital assets.

Current Year Impacts on Net Position

Governmental Activities

For FY2023, governmental activities net position totaled \$91,123,790, reflecting an increase of \$5,797,266 [including Net Position Adjustments of \$(273,484)] over the prior fiscal year. Governmental activities total assets increased \$4,791,663 and governmental activities total liabilities increased \$7,183,035.

The \$4,791,663 increase in total assets resulted primarily from a \$2,182,569 increase in cash, and a \$3,209,651 increase in capital assets. This was offset by a \$1,367,874 decrease in the IMRF net pension asset.

Most of the governmental funds experienced increases in their cash position as a result of budget surpluses. The General Fund, which provides the majority of City services, experienced a \$1,650,922 increase in its cash position.

The \$7,183,035 increase in total liabilities resulted mainly from an increase of \$6,907,267 in the net police pension liability.

Business-Type Activities

The business-type activities net position increased by \$794,562. Business-type activities total assets increased \$649,957 and total liabilities increased \$57,420. The increase in total assets includes a \$826,801 increase in cash and investments offset by a decrease of \$99,803 in capital assets. The \$57,420 increase in total liabilities includes an \$89,400 increase in IMRF net pension liability and a \$47,826 increase in current liabilities offset by a \$68,310 decrease to noncurrent liabilities.

Changes in Net Position

The City's combined change in net position for FY2023 was an increase of \$6,591,828 [including Net Position Adjustments of \$(273,484)]. Governmental activities saw an increase in net position of \$5,797,266 [including Net Position Adjustments of \$(273,484)] in FY2023. Business-type activities saw an increase in net position of \$794,562 in FY2023. The table below shows the condensed revenues and expenses of the City's activities.

City of Prospect Heights' Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Revenues						
Program Revenues						
Charges for Services	\$ 3,236,520	\$ 2,959,267	\$ 1,749,620	\$ 1,765,436	\$ 4,986,140	\$ 4,724,703
Operating Grants and Contributions	2,134,213	1,900,327	-	-	2,134,213	1,900,327
Capital Grants and Contributions	-	160,000	-	-	-	160,000
General Revenues						
Taxes						
Property Taxes	2,144,995	2,184,366	-	-	2,144,995	2,184,366
Local Sales and Use Tax	1,252,827	1,161,856	-	-	1,252,827	1,161,856
State Utility Tax	836,229	810,890	-	-	836,229	810,890
Hotel Occupancy Tax	620,280	433,315	-	-	620,280	433,315
Other Taxes	1,295,732	1,280,001	-	-	1,295,732	1,280,001
Intergovernmental						
Income Tax	2,594,627	2,563,987	-	-	2,594,627	2,563,987
State Sales Tax	1,738,005	1,685,682	-	-	1,738,005	1,685,682
Other Intergovernmental	1,521,344	1,094,560	-	-	1,521,344	1,094,560
Investment Income	616,522	18,384	80,820	3,089	697,342	21,473
Airport (Joint Venture)	955,023	824,780	-	-	955,023	824,780
Miscellaneous	181,103	79,143	14	-	181,117	79,143
Total Revenues	\$ 19,127,420	\$ 17,156,558	\$ 1,830,454	\$ 1,768,525	\$ 20,957,874	\$ 18,925,083
Expenses						
General Government	\$ 3,581,222	\$ 1,722,870	\$ -	\$ -	\$ 3,581,222	\$ 1,722,870
Public Safety	6,585,444	5,137,184	-	-	6,585,444	5,137,184
Public Works	2,638,267	2,858,351	-	-	2,638,267	2,858,351
Interest	139,737	208,293	-	-	139,737	208,293
Water	-	-	714,100	643,873	714,100	643,873
Sewer	-	-	324,878	272,171	324,878	272,171
Parking	-	-	108,914	107,769	108,914	107,769
Total Expenses	\$ 12,944,670	\$ 9,926,698	\$ 1,147,892	\$ 1,023,813	\$ 14,092,562	\$ 10,950,511
Excess of Revenues Over						
Expenses Before Transfers	\$ 6,182,750	\$ 7,229,860	\$ 682,562	\$ 744,712	\$ 6,865,312	\$ 7,974,572
Transfers	(112,000)	(105,000)	112,000	105,000	-	-
Increase/(Decrease) in Net Position	\$ 6,070,750	\$ 7,124,860	\$ 794,562	\$ 849,712	\$ 6,865,312	\$ 7,974,572
Net Position - Beginning of Year						
Year	85,326,524	78,201,664	8,814,588	7,964,876	94,141,112	86,166,540
Net Position Adjustment	(273,484)	-	-	-	(273,484)	-
Net Position - End of Year	\$ 91,123,790	\$ 85,326,524	\$ 9,609,150	\$ 8,814,588	\$ 100,732,940	\$ 94,141,112

Normal Impacts on Revenues and Expenses

There are eight basic impacts on revenues and expenses, which are described below.

Revenues:

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

Increase in City approved rates – While certain tax rates are set by statute, the City Council has limited authority to impose and periodically increase certain rates (water, licenses, permits, fines, inspection fees, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and nonrecurring) – Certain recurring revenues (state-shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market impacts on investment income – The City’s investment portfolio is managed using a short-term average maturity and market conditions may cause investment income to fluctuate.

Expenses:

Introduction/elimination of programs and services – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) programs and services may be added or deleted to address changing community needs, unfunded mandates from other governmental levels, and funding available within the City.

Increases/decreases in the number of authorized personnel – The City Council may authorize increases or decreases in staffing levels based upon program and service changes. Staffing costs (salary and related benefits) represent approximately 71.06% of the City’s General Fund operating costs.

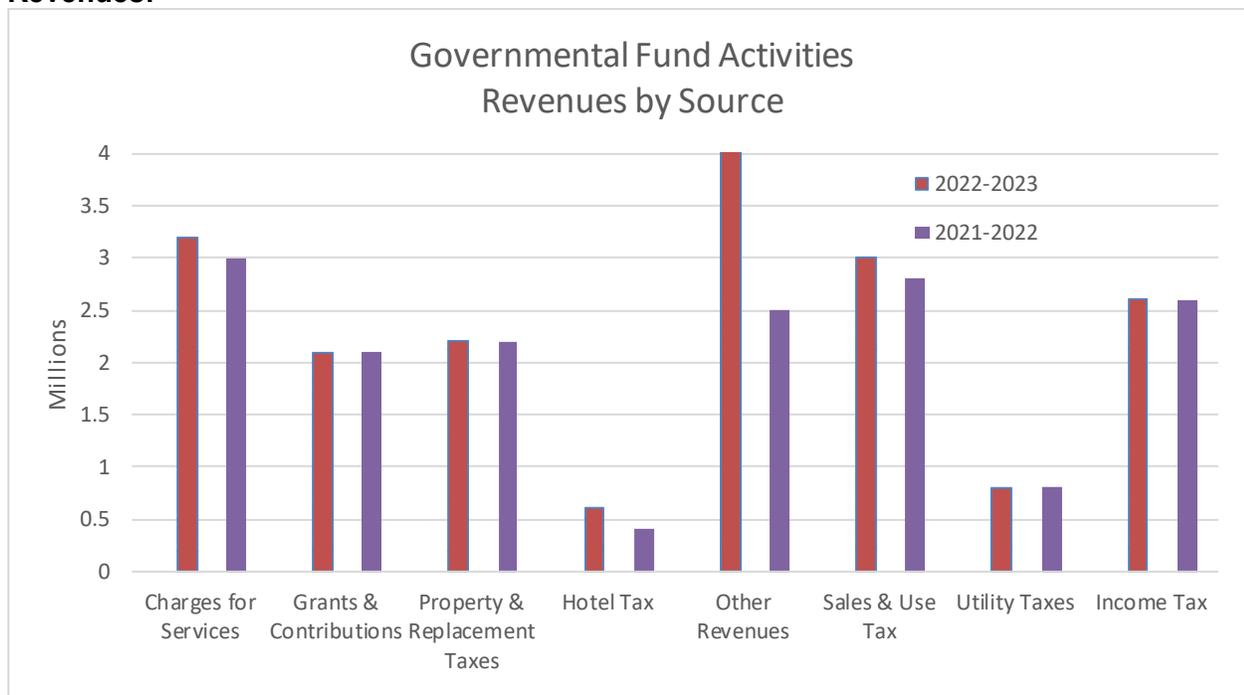
Salary increases (annual adjustments and merit) – The City has three separate bargaining units representing approximately 61% of the employee population.

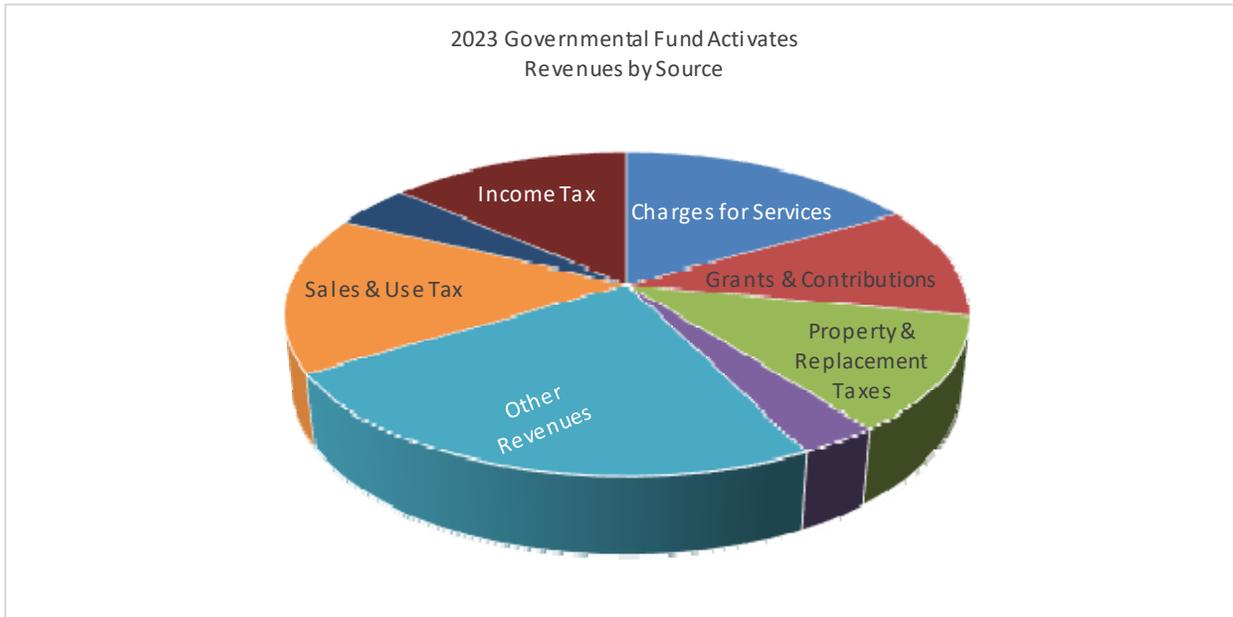
Inflation – While overall inflation has been reasonably low, the City is a major consumer of certain commodities such as supplies, fuel, and utilities. Some specific areas may experience unusually high price increases.

Current Year Impacts on Revenues and Expenses

Governmental Activities

Revenues:





For the fiscal year ended April 30, 2023, revenues from governmental activities totaled \$19,127,420, an increase of \$1,970,862, or 11%, from the prior fiscal year.

The City continues to receive the majority of its revenues from income taxes, sales and local use taxes, nonhome rule sales taxes, telecommunications and utility taxes, and hotel and other taxes. In FY2023, these taxes generated a total of \$9,859,044 in revenue for the City, which represented 36% of all governmental activity revenues. For FY2023, these revenues experienced an overall increase of \$828,753, or 9.2%. The majority of these taxes are heavily dependent upon the state of the economy, including employment levels and the levels of expendable income for entertainment and extraneous purchases, as well as the City's population. *Historical information on the individual tax revenues is presented in Tax Revenues by Source – Governmental Funds, located in the Statistical Section at the back of this report.*

The City generates program revenues via charges for services and operating and capital grants which is the largest revenue source. For FY2023, the total combined revenues generated by these sources were \$5,370,733 which accounted for 28% of total governmental activity revenue. For FY2023, charges for services generated \$3,236,520 in revenue and represented 17% of total governmental activity revenue. In FY2023, charges for services increased \$277,253. Charges for services revenue includes licenses (vehicle, business, and liquor), permits for construction-related activity, code-related inspection fees, fines and forfeits, franchise fees, general government service charges to other funds and other miscellaneous fees. As a non-home rule municipality, the City has limited authority on both the types of charges and related fees that it is able to impose. The majority of the City's current charges for services focus on construction and business-related activity and, as such, this revenue stream tends to follow the ebbs and flows of the economy.

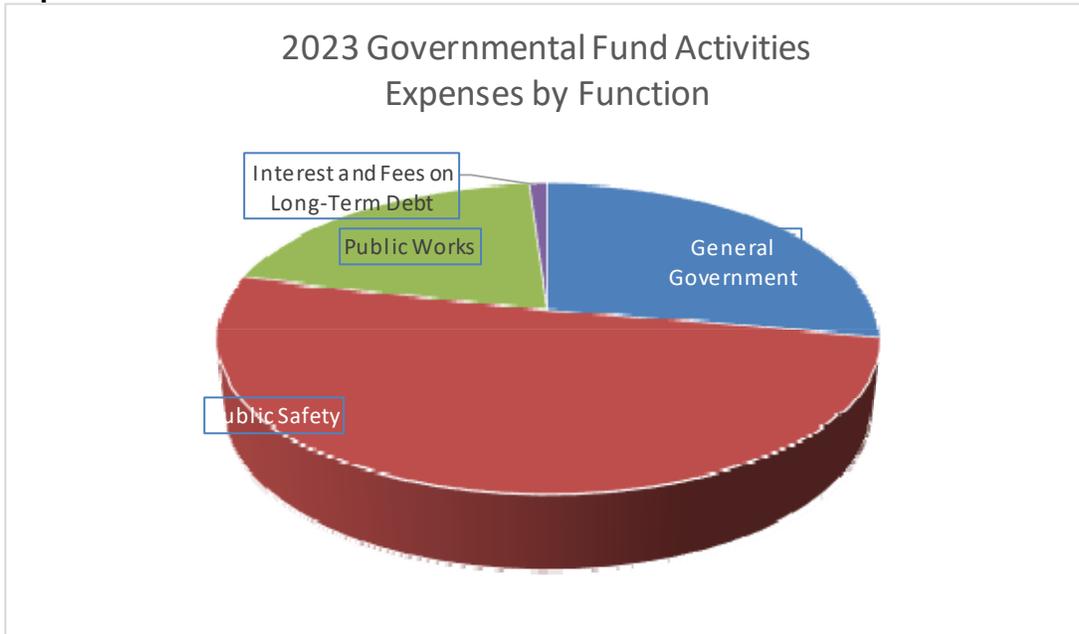
At \$2,144,995 and 11.2% of total revenues, property taxes comprise the third largest single source of governmental activity revenue for the City. The total property taxes received included \$2,080,662 of taxes levied by the City and \$64,333 in property tax increment revenue generated by the City's tax increment financing (TIF) districts. The levied property taxes received are restricted in their use as follows: \$155,101 in taxes generated by two of the City's special service areas for sanitary system, storm water maintenance, and flood control, \$224,047 in taxes generated for Special Service Area Six debt service payments, \$1,264,836 for Road Construction debt, and \$406,911 in taxes generated to assist in funding the City's police pension obligation. In FY2023, property tax revenues decreased by \$39,371.

The operating grants and contributions segment of program revenues includes grants for police operations and equipment, and shared revenues from DEA seizures (of which there was \$154,743 for FY2023). For FY2023, revenue derived from operating grants and contributions totaled \$2,134,213 and represented 11% of total governmental activity revenue. Of this total, the City received \$1,080,988 from

the American Rescue Plan Act, \$260,000 reimbursement grant from the Department of Commerce and Economic Opportunity, \$345,600 reimbursement from and IGA with the Metropolitan Water Reclamation District of Greater Chicago for the purchase of real estate, and \$447,625 in revenues reimbursed from various sources.

The remaining governmental activity revenues include investment income, Airport investment (joint venture) income, sales of city property (of which there were none in FY2023), and miscellaneous fees. For FY2023, these revenues totaled \$1,752,648. This included investment income of \$616,522, airport investment income of \$955,023, and other miscellaneous income of \$181,103.

Expenses:



For the fiscal year ended April 30, 2023, expenses from governmental activities totaled \$12,944,670, which represents an increase of \$3,842,752, or 42.2%, compared to the prior year.

Public safety represents the largest portion of governmental activity expenses. Public safety consists of the City’s police department, including all related personnel, pension, training, supplies, and contractual services for the 911 emergency dispatch center. For FY2023, expenses for public safety were \$6,585,444 and represented 51% of total governmental activity expenses. Public safety expenses increased \$1,448,260 from the prior year. General government is the second major category of governmental activity expenses. General government includes expenses for the City Council, City Clerk, administration, legal services, finance, engineering, building and zoning, Tourism Zone, liability insurance, utilities, and the solid waste program. For FY2023, expenses for general government were \$3,581,222 which represented 28% of total governmental activities expenses. General government expenses increased \$1,858,352 from the prior year. The major factor in the governmental expenses increase for FY2023 is due to less capital assets being capitalized than in the prior year and the closure of the Palatine Road TIF Fund which resulted in a \$871,286 expenditure related to a refund of property taxes to Cook County. Public works is the third largest category of governmental activity expenses. Public works includes activity for streets, vehicles, sanitary sewers, storm water management and drainage, buildings and grounds, and forestry. For FY2023, expenses for public works totaled \$2,638,267 and represented 20% of total governmental activities expenses and a decrease of \$220,084 from the prior year.

Business-Type Activities

Revenues:

Total revenues for the City’s business-type activities for FY2023 were \$1,830,454, an increase of \$61,929, or 3.5%, from the prior year.

Business-type activities in the City consist of water operations, sanitary sewer, and parking operations. In FY2023, \$818,828 of program revenue was generated by the sanitary system, \$918,518 by the water operations related to charges for services, and \$12,274 by the parking operation from charges for services.

Expenses:

Total expenses for the City's business-type activities for FY2023 were \$1,147,892. Of the total expenses for business-type activities, \$714,100 is attributable to water operations, \$324,878 to sewer, and \$108,914 to parking operations. The main increase in expenses of \$124,079 is related to increases of Operations and Maintenance expenses in the Water Fund.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

At April 30, 2023, the governmental funds reported a combined fund balance of \$31,697,997 which is a \$1,048,514 [including a fund balance adjustment of \$(509,716)], or 3%, increase from the beginning of the year balance of \$30,649,483. Of the total year-end fund balance, \$13,912,795 is unassigned in the General Fund indicating availability for continuing City services. Total remaining fund balances are as follows: \$745,685 non-spendable, \$8,899,717, restricted, \$8,315,477 committed, and \$(165,677) unassigned.

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund increased by \$2,372,232 [including a fund balance adjustment of \$(509,716)], or 15%. The City budgeted for a \$69,287 decrease in fund balance. Revenues came in at \$3,384,651 over budgeted amounts and expenditures were \$779,234 under budget. The increase in fund balance primarily stems from an overall increase in revenues compared to the prior year of \$1,678,007. Of this increase, \$454,726 relates specifically to an increase in investment income as well as an increase of \$576,675 related to a revenue sharing agreement with the Village of Glenview. There was also an increase of \$1,616,144 in intergovernmental revenues and an increase of \$463,810 in investment revenue compared to prior year. General fund total expenditures stayed fairly consistent compared to the prior year, decreasing \$213,297 in total.

The Motor Fuel Tax was established to account for motor fuel tax revenues and other state road grants along with the related expenditures. The Fund's fund balance increased by \$979,622 during FY2023. The increase was due to not having any capital expenditures during the current year.

The Capital Projects Fund's fund balance decreased by \$1,865,949. The Capital Projects Fund was established for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The decrease in fund balance largely came from the acquisition and construction of major capital projects during the year in the overall amount of \$4,827,537.

Proprietary Funds

At April 30, 2023, the Enterprise Funds have a total net position of \$9,609,150 which accounts for an increase of \$794,562, or 9%, from the prior year.

The Water Fund reflected an increase in net position of \$277,279. This increase was comprised of water billings being greater than expenses. Additionally, operations and maintenance expenses decreased \$77,270 compared to the prior year. The City regularly has ongoing system improvement projects that will use up some of the excess funds in future years.

The Sewer Fund reflected an increase in net position of \$501,923. This increase was comprised of sewer billings being greater than expenses. Overall revenues and expenses stayed fairly level with the prior year. The City has been progressively increasing rates so as not to impact the residents all at one time. The rates continue to be adjusted.

The Parking Fund reflected an increase in net position of \$15,360. The small increase was due to a lack of revenues for the year due to minimal train travel stemming from COVID regulations and offset by an interfund transfer from the General Fund to help cover current year operating expenses. The Parking Fund continues to struggle, as its revenues are not sufficient to support its operating and depreciation expenses. Market competition from neighboring communities, both in parking fees and train schedules, hinders the City's ability to raise fees, and impacts the occupancy rate of its commuter parking lot.

Fiduciary Fund (Police Pension Fund). At April 30, 2023, the Police Pension Fund's net position amounted to \$20,648,748. Deductions exceeded additions during the year, resulting in a decrease of \$451,392 in net position. This decrease was mostly due to a \$393,134 decrease in employer contributions as well as an increase of refunds and transfers of contributions of \$137,097 compared to the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City Administrator is the designated Budget Officer and is responsible to prepare an annual budget and present it to the City Council for review and passage. The annual budget is prepared by fund, with line-item detail, and includes information on the prior year, current year estimates, and each department's requested budget for the next fiscal year.

The process begins with all departments of the City submitting their budget requests to the City Administrator. The proposed budget is prepared and presented to the City Council for review and discussion. Public hearings are held, revisions are made, and the process culminates with adoption of the budget, in ordinance form, by the City Council. The budget, which by state law also serves as the appropriation ordinance, represents the legal budget of the City and must be adopted by the City Council prior to May 1.

The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no budget amendments were approved by the City Council.

The table below reflects the budget and actual revenues and expenditures for the General Fund.

City of Prospect Heights		
General Fund Budgetary Changes		
For Fiscal Year 2023		
	Original and Final Budget	Actual
Revenues	\$ 9,159,651	\$ 12,544,302
Expenditures	9,232,188	8,452,954
Other Financing Sources (Uses)	3,250	(1,209,400)
Change in Fund Balance	<u>\$ (69,287)</u>	<u>\$ 2,881,948</u>

The City ended the year ahead of budget by \$2,951,235 in the General Fund. The City's revenues were over budget by \$3,384,651 primarily due to \$1,616,144 more in intergovernmental revenues over budgeted, specifically income taxes coming in over budget by \$619,627, sales tax being over budget by \$338,005, and the revenue sharing agreement with the Village of Glenview coming in over budget by \$572,940. Additionally, there was \$463,810 more in investment revenue than budgeted due to higher interest rates than expected. Expenses were under budget by \$779,234. This was mainly due to lower public safety salary and pension benefit expenses than expected by a combined \$268,867 and public works salary, professional services, and maintenance supplies expenses by a combined \$208,068. Additionally, other financing sources and uses was over budget by \$1,212,650 due to more transfers out needed to fund other governmental funds.

CAPITAL ASSETS

At the end of FY2023, the City had a combined total of \$36,664,434 of capital assets invested in land; equipment; buildings and improvements; vehicles; infrastructure; water facilities and lines; a commuter lot; and construction in progress (see table below). *The following tables summarize the changes in capital assets, which are presented in detail in Note III (C) in the Notes to the Financial Statements.*

	City of Prospect Heights' Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Land (includes right of way and easements)	\$ 7,720,094	\$ 7,706,337	\$ 102,195	\$ 102,195	\$ 7,822,289	\$ 7,808,532
Buildings and Improvements	4,822,750	5,014,075	613,577	659,831	5,436,327	5,673,906
Infrastructure	19,449,891	16,029,009	-	-	19,449,891	16,029,009
Sanitary Sewers	-	-	683,225	-	683,225	-
Water Mains	-	-	2,386,701	2,475,046	2,386,701	2,475,046
Water Reservoir	-	-	50,600	55,200	50,600	55,200
Machinery and Equipment	107,705	152,674	93,438	55,736	201,143	208,410
Office Furniture and Equipment	18,661	26,777	-	-	18,661	26,777
Vehicles	422,408	442,652	66,760	77,866	489,168	520,518
Construction in Progress	126,429	86,763	-	670,425	126,429	757,188
Total	<u>\$ 32,667,938</u>	<u>\$ 29,458,287</u>	<u>\$ 3,996,496</u>	<u>\$ 4,096,299</u>	<u>\$ 36,664,434</u>	<u>\$ 33,554,586</u>

For FY2023, the City's total capital assets, net of depreciation, increased \$3,109,848. Capital assets of business-type activities decreased \$99,803 due to annual depreciation. Capital assets of governmental activities increased \$3,209,651 due to new capital additions exceeding annual depreciation. The major additions during FY2023 were the Arlington Countryside drainage project - \$3,983,784 and a sidewalk project totaling \$306,364.

	Change in Capital Assets		
	Governmental Activities	Business-Type Activities	Total
	2023	2023	2023
Beginning Balance	\$ 29,458,287	\$ 4,096,299	\$ 33,554,586
Additions			
Depreciable	4,281,646	39,865	4,321,511
Nondepreciable	140,186	12,800	152,986
Retirements			
Depreciable	(41,897)	-	(41,897)
Depreciation	<u>(1,170,284)</u>	<u>(152,468)</u>	<u>(1,322,752)</u>
Ending Balance	<u>\$ 32,667,938</u>	<u>\$ 3,996,496</u>	<u>\$ 36,664,434</u>

LONG-TERM OBLIGATIONS OUTSTANDING

The City of Prospect Heights' governmental activities had total long-term obligations of \$26,850,619 as of April 30, 2023. Long-term obligations are comprised of general obligation debt, special service area bonds, net pension obligations, compensated absences payable to employees, and other postemployment benefit obligations.

General obligation debt outstanding: At the end of the year, the City had four general obligation (G.O.) debt issues outstanding with a combined balance of \$4,995,000. Under state statutes, the City's aggregated general obligation indebtedness cannot exceed 8.625% of the value of taxable property within the City. As of April 30, 2023, the total debt applicable to this limit was \$5,418,544, well below the \$39,165,705 set by law. None of the general obligation debt is bonded debt, and; therefore, is not supported with a direct tax on the residents of the City.

Special service area bonds outstanding: At the end of the year, the City had one special service area bond outstanding with a balance of \$1,165,000. This bond is supported with a property tax on the residents located within Special Service Area #6 and has a final maturity date of December 15, 2028.

This bond was a refunding bond of the Special Service Area # 6 Bonds on September 27, 2018. *For more detail on the City's long-term debt, see Note III (E) in the Notes to the Financial Statements.*

Compensated absences: At the end of the year, compensated absences payable totaled \$423,368, which reflected an increase of \$81,217 from the prior year.

Net pension liabilities/assets: As of April 30, 2023, the City's net pension liability for Police Pension totaled \$17,403,744, which reflected an increase of \$6,907,267 over the prior year amount. The City's IMRF net pension asset, on the other hand, decreased \$2,599,414 during FY2023 and is now considered a Net Pension Liability as of April 30, 2023. As of the last valuation date, the Police Pension Fund had an actuarial funded ratio of 67.45%. While the City has taxing authority for the employer share of the police pension contribution, the tax revenue generated only covered 36.21% of the City's FY2023 contribution. The police pension tax does not have a rate ceiling; however, the City's ability to increase this tax levy is limited by the tax caps imposed by the state of Illinois. The City's attempts to increase this levy through referendum have failed. *For more detail on the City's pension obligations see Note IV (A) in the Notes to the Financial Statements and required supplemental information.*

Other postemployment benefit (OPEB) liabilities: As of April 30, 2023, the City's total OPEB liability totaled \$1,643,533. The City is not required to and currently does not advance fund this obligation. *For more detail on the City's OPEB obligation see Note IV (E) in the Notes to the Financial Statements.*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected and appointed officials considered many factors when setting the fiscal-year 2024 budget, tax rates, and fees that will be charged for its governmental and business-type activities. When the budget was adopted in April 2023, the City was continuing to maintain a strong and stable economic position. The goals remained to minimize the financial burden on Prospect Heights taxpayers, to continue identifying cost cutting strategies and opportunities, responsibly utilize City reserves when necessary, and proactively structure the City in a way that will maximize the level of service than can be provided with the current level of resources.

One of the primary challenges for the City is to continue repairing and replacing aging roads and water and sewer infrastructure. Each year, the City continues to prioritize infrastructure replacements including roads, streets, sidewalks and stormwater management to the extent possible given limited resources. As presented in the City's 5-year Capital Improvement Plan (CIP), there is a significant gap between dedicated funding sources and infrastructure needs. As the City of Prospect Heights is a non-home rule community, there is limited opportunity to expand its revenue base. To that end, there is an ongoing effort by City management and staff to pursue external funding sources to help address this gap.

The financial position of the State of Illinois remains a major concern as State elected officials continue to explore ideas that shift costs to local governments and develop legislative proposals to decrease state shared revenues to local governments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Prospect Height's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Cheri Grieco, Director of Finance, City of Prospect Heights, 8 North Elmhurst Road, Prospect Heights, Illinois 60070.

BASIC FINANCIAL STATEMENTS

CITY OF PROSPECT HEIGHTS, ILLINOIS
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
APRIL 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 31,657,630	\$ 6,002,987	\$ 37,660,617
Prepaid Items	110,936	26,896	137,832
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable	784,296	351,563	1,135,859
Property Taxes	1,184,036	-	1,184,036
Intergovernmental	753,686	-	753,686
Other Taxes	47,056	-	47,056
Internal Balances	412,866	(412,866)	-
Investment in Joint Venture - Airport	45,688,150	-	45,688,150
Capital Assets			
Capital Assets not Being Depreciated	7,846,523	102,195	7,948,718
Other Capital Assets, Net of Accumulated Depreciation	24,821,415	3,894,301	28,715,716
TOTAL ASSETS	\$ 113,306,594	\$ 9,965,076	\$ 123,271,670
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to IMRF	\$ 905,825	\$ 85,848	\$ 991,673
Deferred Outflows of Resources Related to Police Pension	7,712,965	-	7,712,965
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 8,618,790	\$ 85,848	\$ 8,704,638
LIABILITIES			
Accounts Payable	\$ 1,409,708	\$ 85,661	\$ 1,495,369
Accrued Payroll	169,904	5,920	175,824
Accrued Interest	89,070	2,754	91,824
Deposits	279,269	1,800	281,069
Unearned Revenues	123,779	-	123,779
Due to Fiduciary Activities	85,813	-	85,813
Noncurrent Liabilities			
Due Within One Year			
Bonds and Notes Payable	1,561,572	70,000	1,631,572
Compensated Absences	246,671	7,349	254,020
Total OPEB Liability	157,680	10,100	167,780
Due in More Than One Year			
Bonds and Notes Payable	4,876,972	75,000	4,951,972
Compensated Absences	164,448	4,900	169,348
IMRF Net Pension Liability	1,052,669	89,400	1,142,069
Net Police Pension Liability	17,403,744	-	17,403,744
Total OPEB Liability	1,386,863	88,890	1,475,753
TOTAL LIABILITIES	\$ 29,008,162	\$ 441,774	\$ 29,449,936
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Future Periods	\$ 1,184,036	\$ -	\$ 1,184,036
Deferred Inflows of Resources Related to Police Pension	609,396	-	609,396
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 1,793,432	\$ -	\$ 1,793,432
NET POSITION			
Net Investment in Capital Assets	\$ 26,229,394	\$ 3,851,496	\$ 30,080,890
Restricted for:			
Public Safety	546,368	-	546,368
Debt Service	1,062,806	-	1,062,806
Streets and Highways	5,367,323	-	5,367,323
Tourism	571,867	-	571,867
Special Service Area Improvements	1,341,353	-	1,341,353
Unrestricted/(Deficit)	56,004,679	5,757,654	61,762,333
TOTAL NET POSITION	\$ 91,123,790	\$ 9,609,150	\$ 100,732,940

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 GOVERNMENT-WIDE FINANCIAL STATEMENTS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
General Government	\$ 3,581,222	\$ 2,198,011	\$ 1,952,048	\$ 568,837	\$ -	\$ 568,837
Public Safety	6,585,444	573,302	166,789	(5,845,353)	-	(5,845,353)
Public Works	2,638,267	465,207	15,376	(2,157,684)	-	(2,157,684)
Interest and Fees on Long-Term Debt	139,737	-	-	(139,737)	-	(139,737)
	<u>\$ 12,944,670</u>	<u>\$ 3,236,520</u>	<u>\$ 2,134,213</u>	<u>\$ (7,573,937)</u>	<u>\$ -</u>	<u>\$ (7,573,937)</u>
Business-Type Activities						
Water	\$ 714,100	\$ 918,518	\$ -	\$ -	\$ 204,418	\$ 204,418
Sewer	324,878	818,828	-	-	493,950	493,950
Parking	108,914	12,274	-	-	(96,640)	(96,640)
	<u>\$ 1,147,892</u>	<u>\$ 1,749,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,728</u>	<u>\$ 601,728</u>
Total Primary Government	<u>\$ 14,092,562</u>	<u>\$ 4,986,140</u>	<u>\$ 2,134,213</u>	<u>\$ (7,573,937)</u>	<u>\$ 601,728</u>	<u>\$ (6,972,209)</u>
General Revenues						
Taxes						
Property Tax, Levied for General Purposes				\$ 2,144,995	\$ -	\$ 2,144,995
Local Sales and Use Tax				1,252,827	-	1,252,827
State Utility Tax				836,229	-	836,229
Hotel Occupancy Tax				620,280	-	620,280
Other Taxes				1,295,732	-	1,295,732
Intergovernmental						
Income Tax				2,594,627	-	2,594,627
State Sales Tax				1,738,005	-	1,738,005
Other Intergovernmental Taxes				1,521,344	-	1,521,344
Net Investment Revenue				616,522	80,820	697,342
Airport Investment (Joint Venture)				955,023	-	955,023
Miscellaneous				181,103	14	181,117
Transfers				(112,000)	112,000	-
Total General Revenues and Transfers				<u>\$ 13,644,687</u>	<u>\$ 192,834</u>	<u>\$ 13,837,521</u>
Change in Net Position				\$ 6,070,750	\$ 794,562	\$ 6,865,312
Net Position - May 1, 2022				85,326,524	8,814,588	94,141,112
Net Position Adjustment (Note IV - I)				(273,484)	-	(273,484)
Net Position - April 30, 2023				<u>\$ 91,123,790</u>	<u>\$ 9,609,150</u>	<u>\$ 100,732,940</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 APRIL 30, 2023

	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 23,136,503	\$ 4,950,321	\$ -	\$ 3,570,806	\$ 31,657,630
Prepaid Items	78,938	-	-	31,998	110,936
Receivables (Net of Allowance for Estimated Uncollectible Amounts)					
Accounts Receivable	638,970	-	-	145,326	784,296
Property Taxes	262,799	-	-	921,237	1,184,036
Intergovernmental	696,635	57,051	-	-	753,686
Other Taxes	47,056	-	-	-	47,056
Due from Other Funds	959,018	357,111	5,166,278	280,404	6,762,811
TOTAL ASSETS	<u>\$ 25,819,919</u>	<u>\$ 5,364,483</u>	<u>\$ 5,166,278</u>	<u>\$ 4,949,771</u>	<u>\$ 41,300,451</u>
LIABILITIES					
Accounts Payable	\$ 1,165,780	\$ -	\$ 114,070	\$ 129,858	\$ 1,409,708
Accrued Payroll	169,312	-	-	592	169,904
Deposits	279,269	-	-	-	279,269
Due to Other Funds	5,889,850	-	-	460,095	6,349,945
Due to Fiduciary Activities	85,813	-	-	-	85,813
Unearned Revenue	123,779	-	-	-	123,779
TOTAL LIABILITIES	<u>\$ 7,713,803</u>	<u>\$ -</u>	<u>\$ 114,070</u>	<u>\$ 590,545</u>	<u>\$ 8,418,418</u>
DEFERRED INFLOWS OF RESOURCES					
Property Taxes Levied for Future Periods	\$ 262,799	\$ -	\$ -	\$ 921,237	\$ 1,184,036
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 262,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 921,237</u>	<u>\$ 1,184,036</u>
FUND BALANCES					
Nonspendable	\$ 713,687	\$ -	\$ -	\$ 31,998	\$ 745,685
Restricted for:					
Public Safety	58,995	-	-	487,373	546,368
Debt Service	-	-	-	1,062,806	1,062,806
Streets and Highways	2,840	5,364,483	-	-	5,367,323
Tourism	-	-	-	571,867	571,867
Special Service Area Improvements	-	-	-	1,341,353	1,341,353
Committed for:					
Emergency Reserve	3,155,000	-	-	-	3,155,000
Solid Waste Disposal	-	-	-	108,269	108,269
Capital Projects	-	-	5,052,208	-	5,052,208
Unassigned	13,912,795	-	-	(165,677)	13,747,118
TOTAL FUND BALANCES	<u>\$ 17,843,317</u>	<u>\$ 5,364,483</u>	<u>\$ 5,052,208</u>	<u>\$ 3,437,989</u>	<u>\$ 31,697,997</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 25,819,919</u>	<u>\$ 5,364,483</u>	<u>\$ 5,166,278</u>	<u>\$ 4,949,771</u>	<u>\$ 41,300,451</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 APRIL 30, 2023

Total Fund Balances - Governmental Funds \$ 31,697,997

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

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

Capital Assets, net of accumulated depreciation 32,667,938

Investments in joint ventures are not financial resources and therefore are not reported in the funds.

Investment in Chicago Executive Airport 45,688,150

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds and Notes Payable	\$ (6,015,000)	
Bond Premiums, net of related amortization	(423,544)	
Accrued Interest on Long-Term Debt	(89,070)	
Compensated Absences	(411,119)	
Total OPEB Liability	(1,544,543)	
Net Pension Liability - Illinois Municipal Retirement Fund	(1,052,669)	
Net Pension Liability - Police Pension	<u>(17,403,744)</u>	
		(26,939,689)

Deferred pension and OPEB costs/revenues in governmental activities are not financial resources and therefore are not reported in the funds.

Deferred Outflows - Illinois Municipal Retirement Fund	\$ 905,825	
Deferred Outflows - Police Pension	7,712,965	
Deferred Inflows - Police Pension	<u>(609,396)</u>	
		<u>8,009,394</u>

Net Position of Governmental Activities \$ 91,123,790

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2023

	General Fund	Motor Fuel Tax Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Taxes	\$ 3,821,466	\$ -	\$ -	\$ 2,328,597	\$ 6,150,063
Intergovernmental	5,077,520	836,704	-	154,743	6,068,967
Licenses and Permits	1,080,729	-	-	-	1,080,729
Fines, Forfeitures and Penalties	534,076	-	-	-	534,076
Charges for Services	1,156,508	-	-	465,207	1,621,715
Investment Income	468,310	142,918	-	5,294	616,522
Miscellaneous	405,693	-	1,686,588	8,044	2,100,325
	<u>\$ 12,544,302</u>	<u>\$ 979,622</u>	<u>\$ 1,686,588</u>	<u>\$ 2,961,885</u>	<u>\$ 18,172,397</u>
EXPENDITURES					
Current					
General Government	\$ 2,038,139	\$ -	\$ -	\$ 1,579,832	\$ 3,617,971
Public Safety	4,983,472	-	-	53,448	5,036,920
Public Works	1,172,895	-	-	34,708	1,207,603
Capital Outlay	73,310	-	4,827,537	80,310	4,981,157
Debt Service					
Principal	170,000	-	-	1,205,000	1,375,000
Interest	15,138	-	-	268,378	283,516
	<u>\$ 8,452,954</u>	<u>\$ -</u>	<u>\$ 4,827,537</u>	<u>\$ 3,221,676</u>	<u>\$ 16,502,167</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 4,091,348</u>	<u>\$ 979,622</u>	<u>\$ (3,140,949)</u>	<u>\$ (259,791)</u>	<u>\$ 1,670,230</u>
OTHER FINANCING SOURCES/(USES)					
Transfers In	\$ 102,600	\$ -	\$ 1,275,000	\$ -	\$ 1,377,600
Transfers Out	(1,312,000)	-	-	(177,600)	(1,489,600)
	<u>\$ (1,209,400)</u>	<u>\$ -</u>	<u>\$ 1,275,000</u>	<u>\$ (177,600)</u>	<u>\$ (112,000)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,881,948</u>	<u>\$ 979,622</u>	<u>\$ (1,865,949)</u>	<u>\$ (437,391)</u>	<u>\$ 1,558,230</u>
FUND BALANCES - MAY 1, 2022	15,471,085	4,384,861	6,918,157	3,875,380	30,649,483
FUND BALANCE ADJUSTMENT (NOTE IV - I)	<u>(509,716)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(509,716)</u>
FUND BALANCES - APRIL 30, 2023	<u>\$ 17,843,317</u>	<u>\$ 5,364,483</u>	<u>\$ 5,052,208</u>	<u>\$ 3,437,989</u>	<u>\$ 31,697,997</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED APRIL 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,558,230

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (1,212,181)	
Capital Outlays	<u>4,421,832</u>	
		3,209,651

Employer Pension Contributions are expensed in the fund financial statements but are treated as a reduction in the Net Pension Liability on the government-wide financial statements.

Illinois Municipal Retirement Fund Contributions	\$ 139,312	
Police Pension Fund Contributions	755,705	
IMRF/Police Pension OPEB Contributions	<u>153,105</u>	
		1,048,122

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Long-Term Debt	\$ 27,207	
Pension Expense - Police Pension	(2,199,028)	
Bond Premium - Amortization	116,572	
Pension Expense - IMRF	91,300	
OPEB Expense - IMRF/Police Pension	(31,800)	
Compensated Absences	<u>(79,527)</u>	
		(2,075,276)

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		1,375,000
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The proportionate share of the change in net position related to joint ventures reported in the Statement of Activities neither provides nor uses current financial resources and is not reported in the fund financial statements.

		<u>955,023.00</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 6,070,750</u></u>
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The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 APRIL 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Parking Fund	Totals
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 3,159,732	\$ 2,712,458	\$ 130,797	\$ 6,002,987
Prepaid Expenses	7,631	9,455	9,810	26,896
Accounts Receivable (Net of Allowance of \$81,941 for Estimated Uncollectible Amounts)	143,482	208,081	-	351,563
Due from Other Funds	97,163	36,306	56,120	189,589
Total Current Assets	\$ 3,408,008	\$ 2,966,300	\$ 196,727	\$ 6,571,035
Noncurrent Assets				
Capital Assets not Being Depreciated	\$ 102,195	\$ -	\$ -	\$ 102,195
Capital Assets Net of Accumulated Depreciation	2,761,168	683,225	449,908	3,894,301
Total Noncurrent Assets	\$ 2,863,363	\$ 683,225	\$ 449,908	\$ 3,996,496
TOTAL ASSETS	\$ 6,271,371	\$ 3,649,525	\$ 646,635	\$ 10,567,531
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to IMRF	\$ 55,738	\$ 30,110	\$ -	\$ 85,848
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 55,738	\$ 30,110	\$ -	\$ 85,848
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 32,433	\$ 52,696	\$ 532	\$ 85,661
Accrued Payroll	3,373	2,547	-	5,920
Accrued Interest	2,754	-	-	2,754
Deposits	1,800	-	-	1,800
Due to Other Funds	38,561	34,861	529,033	602,455
General Obligation Debt Payable - Current	70,000	-	-	70,000
Compensated Absences - Current	5,223	2,126	-	7,349
Total OPEB Liability - Current	8,840	1,260	-	10,100
Total Current Liabilities	\$ 162,984	\$ 93,490	\$ 529,565	\$ 786,039
Noncurrent Liabilities				
General Obligation Debt Payable (net of current portion shown above)	\$ 75,000	\$ -	\$ -	\$ 75,000
Compensated Absences	3,482	1,418	-	4,900
Net Pension Liability	75,007	14,393	-	89,400
Total OPEB Liability	77,802	11,088	-	88,890
Total Noncurrent Liabilities	\$ 231,291	\$ 26,899	\$ -	\$ 258,190
TOTAL LIABILITIES	\$ 394,275	\$ 120,389	\$ 529,565	\$ 1,044,229
DEFERRED INFLOWS OF RESOURCES				
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -
NET POSITION				
Net Investment in Capital Assets	\$ 2,718,363	\$ 683,225	\$ 449,908	\$ 3,851,496
Unrestricted/(Deficit)	3,214,471	2,876,021	(332,838)	5,757,654
TOTAL NET POSITION	\$ 5,932,834	\$ 3,559,246	\$ 117,070	\$ 9,609,150

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Parking Fund	Totals
OPERATING REVENUES				
Charges for Services	\$ 918,518	\$ 818,828	\$ 12,274	\$ 1,749,620
Total Operating Revenues	<u>\$ 918,518</u>	<u>\$ 818,828</u>	<u>\$ 12,274</u>	<u>\$ 1,749,620</u>
OPERATING EXPENSES				
Operations and Maintenance	\$ 586,217	\$ 324,878	\$ 76,778	\$ 987,873
Depreciation Expense	120,332	-	32,136	152,468
Total Operating Expenses	<u>\$ 706,549</u>	<u>\$ 324,878</u>	<u>\$ 108,914</u>	<u>\$ 1,140,341</u>
OPERATING INCOME/(LOSS)	<u>\$ 211,969</u>	<u>\$ 493,950</u>	<u>\$ (96,640)</u>	<u>\$ 609,279</u>
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 72,847	\$ 7,973	\$ -	\$ 80,820
Miscellaneous Income	14	-	-	14
Interest Expense	(7,551)	-	-	(7,551)
Total Non-Operating Revenues/(Expense)	<u>\$ 65,310</u>	<u>\$ 7,973</u>	<u>\$ -</u>	<u>\$ 73,283</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 277,279</u>	<u>\$ 501,923</u>	<u>\$ (96,640)</u>	<u>\$ 682,562</u>
CAPITAL CONTRIBUTIONS	-	-	-	-
TRANSFERS (TO)/FROM OTHER FUNDS	-	-	112,000	112,000
CHANGE IN NET POSITION	<u>\$ 277,279</u>	<u>\$ 501,923</u>	<u>\$ 15,360</u>	<u>\$ 794,562</u>
NET POSITION - MAY 1, 2022	<u>5,655,555</u>	<u>3,057,323</u>	<u>101,710</u>	<u>8,814,588</u>
NET POSITION - APRIL 30, 2023	<u><u>\$ 5,932,834</u></u>	<u><u>\$ 3,559,246</u></u>	<u><u>\$ 117,070</u></u>	<u><u>\$ 9,609,150</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2023

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Parking Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 926,028	\$ 822,748	\$ 12,274	\$ 1,761,050
Payments to Suppliers for Goods and Services	(465,793)	(198,691)	(30,628)	(695,112)
Payments to Employees for Services	(135,308)	(97,617)	(46,300)	(279,225)
Payments to Other Funds for Services	105,330	-	-	105,330
Internal Activity - Payments (to)/from Other Funds	(133,538)	(8,189)	17,089	(124,638)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 296,719</u>	<u>\$ 518,251</u>	<u>\$ (47,565)</u>	<u>\$ 767,405</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers (to)/from Other Funds	\$ -	\$ -	\$ 112,000	\$ 112,000
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,000</u>	<u>\$ 112,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest Paid on Capital Debt, Net of Rebate	\$ (10,759)	\$ -	\$ -	\$ (10,759)
Principal Paid on Capital Debt	(70,000)	-	-	(70,000)
Purchase of Capital Assets	(39,865)	(12,800)	-	(52,665)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (120,624)</u>	<u>\$ (12,800)</u>	<u>\$ -</u>	<u>\$ (133,424)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	\$ 72,847	\$ 7,973	\$ -	\$ 80,820
Net Cash Provided/(Used) by Investing Activities	<u>\$ 72,847</u>	<u>\$ 7,973</u>	<u>\$ -</u>	<u>\$ 80,820</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 248,942	\$ 513,424	\$ 64,435	\$ 826,801
CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2022 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)	<u>2,910,790</u>	<u>2,199,034</u>	<u>66,362</u>	<u>5,176,186</u>
CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2023 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)	<u><u>\$ 3,159,732</u></u>	<u><u>\$ 2,712,458</u></u>	<u><u>\$ 130,797</u></u>	<u><u>\$ 6,002,987</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES				
Operating Income/(Loss)	\$ 211,969	\$ 493,950	\$ (96,640)	\$ 609,279
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation Expense	120,332	-	32,136	152,468
Change in assets, liabilities and deferred amounts:				
Receivables, net	7,523	3,920	-	11,443
Due to / from Other Funds	(28,208)	(8,189)	17,089	(19,308)
Prepaid Expenses	(872)	(3,321)	(360)	(4,553)
Accounts Payable and Other Payables	7,872	44,644	210	52,726
Pension Liabilities	139,492	39,379	-	178,871
OPEB Liabilities	(7,464)	(4,032)	-	(11,496)
Deferred Pension Expenses/Revenues	(153,925)	(48,100)	-	(202,025)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 296,719</u>	<u>\$ 518,251</u>	<u>\$ (47,565)</u>	<u>\$ 767,405</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 APRIL 30, 2023

	<u>POLICE PENSION TRUST FUND</u>
ASSETS	
Cash and Cash Equivalents	\$ 369,578
Investments, at fair value	
Illinois Police Officers' Pension Investment Fund	20,188,565
Prepaid Expenses	5,532
Due from Primary Government	<u>85,813</u>
TOTAL ASSETS	<u>\$ 20,649,488</u>
 LIABILITIES	
Accounts Payable	<u>\$ 740</u>
TOTAL LIABILITIES	<u>\$ 740</u>
 NET POSITION - RESTRICTED FOR PENSION BENEFITS	 <u><u>\$ 20,648,748</u></u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 FUND FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED APRIL 30, 2023

	<u>POLICE PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Employer	\$ 755,705
Plan Members	237,052
Total Contributions	<u>\$ 992,757</u>
Investment Income	
Interest and Dividends	\$ 197,817
Net Increase/(Decrease) in Fair Value of Investments	46,272
	<u>\$ 244,089</u>
Less: Investment Management Fees	29,280
Net Investment Income	<u>\$ 214,809</u>
 TOTAL ADDITIONS	 <u>\$ 1,207,566</u>
 DEDUCTIONS	
Benefits	\$ 1,480,914
Administrative Expenses	40,473
Refunds/Transfer of Contributions	137,571
TOTAL DEDUCTIONS	<u>\$ 1,658,958</u>
 NET INCREASE/(DECREASE)	 \$ (451,392)
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - MAY 1, 2022	 <u>21,100,140</u>
 NET POSITION - RESTRICTED FOR PENSION BENEFITS - APRIL 30, 2023	 <u>\$ 20,648,748</u>

The Notes to Financial Statements are an integral part of this statement.

CITY OF PROSPECT HEIGHTS, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Prospect Heights, Illinois (the City) was incorporated in 1976. The City is a non home-rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police protection), highways and streets, sanitation (water and sewer) health and social services, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Prospect Heights, Illinois conform to accounting principles generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. *REPORTING ENTITY*

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financial accountability if: (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization; (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government; and (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of two methods, discrete presentation or blending. Generally, component units should be discreetly presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria are present: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Component Unit

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The

NOTES TO FINANCIAL STATEMENTS (Continued)

City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions for the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements rather than the government-wide financial statements. No separate annual financial report is issued for the PPERS.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expense to functions in the Statement of Activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues. Cash grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Business-type activities are financed in part or in whole by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expense of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that meet the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be report as a major fund.

NOTES TO FINANCIAL STATEMENTS (Continued)

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

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 City reports the following major governmental funds:

General Fund – accounts for the City’s primary operating activities. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund.

Motor Fuel Tax Fund – used to account for motor fuel tax revenues and other state road grants along with the related expenditures.

Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major enterprise funds:

Water Fund – accounts for operations of the water system.

Sewer Fund – accounts for revenues and expenses associated with operating and maintaining the former Old Town Sanitary Sewer District.

Parking Fund – accounts for revenues and expenses associated with operating and maintaining the train station parking lot.

The City reports the following nonmajor governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

DEA Seizure	Special Service Area #2
Tourism	Special Service Area #3
Solid Waste Disposal (SWANCC)	Special Service Area #4
Palatine Road TIF	Special Service Area #5
Special Service Area #1	Special Service Area #8

Debt Service Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for payment of general long-term debt principal, interest, and related costs.

- Special Service Area #6 Debt
- Road Construction Debt

In addition, the City reports the following fund type:

Pension (and other employee benefit) trust fund is used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

- Police Pension

C. *MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION*

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property tax revenues and all other revenues to be available if they are collected within 60 days and 180 days, respectively, of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred inflows of resources. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services and interest. Other general revenues such as fines and forfeitures, inspection fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on

capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles 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.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the City to make 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 or agreement 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 Investment Pool.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The City has adopted an investment policy. This policy contains the follow guidelines for allowable investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The City's investment policy seeks to ensure preservation of capital in the City's overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase. However, the City may collateralize its repurchase agreements using longer dated investments not to exceed thirty (30) years to maturity. Reserve funds may be invested in securities of three (3) years maturity or less if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds. The City's policy requires the investment portfolio to be sufficiently liquid to enable the City to meet all operating requirements as they come due.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The City's investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy requires that the City will diversify its investments by security

NOTES TO FINANCIAL STATEMENTS (Continued)

type and institution. Except for U.S. Treasury securities and authorized pools, no more than fifty percent (50%) of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City. The City's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained.

Custodial Credit Risk - Investments

The City's investment policies require all securities to be held by a third-party custodian approved by the Treasurer and evidenced by safekeeping receipts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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

See Note III (A) for further information.

2. Receivables

Property taxes for levy year 2023 attach as an enforceable lien on January 1, 2023 on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The 2023 tax levy, which attached as an enforceable lien on the property as of January 1, 2023, has not been recorded as a receivable as of April 30, 2023 as the tax has not yet been levied by the City and will not be levied until December 2023, and therefore the levy is not measurable at April 30, 2023.

Tax bills for the levy year 2022 are prepared by the county and issued on or about February 1, 2023 and July 1, 2023, and are payable in two installments, on or about March 1, 2023 and August 1, 2023, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2022 property tax levy is recognized as a receivable and deferred inflows in fiscal 2023, net of amounts already collected and of an allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2023, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2022 levy.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between

NOTES TO FINANCIAL STATEMENTS (Continued)

governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account if the funds will ultimately be restricted when the advance is paid.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$200,000 for roads and bridges; \$50,000 for land, buildings, building improvements and sidewalks; \$20,000 for machinery and equipment; \$10,000 for vehicles, water main and sewer mains, and an estimated useful life in excess of 1 year. Capital assets are reported at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation and amortization reflected in the Statement of Net Position. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Land Improvements, Buildings and Building Improvements	20-50 years
Machinery and Equipment	10-20 years
Water and Sewer Mains	40-50 years
Reservoir	50 years
Roads	30 years
Bridges	50-100 years
Street Lights	50 years
Sidewalks	40 years
Storm Sewers	35-40 years
Office Equipment	5-10 years
Vehicles	6-10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide financial statement.

5. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

6. Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term debt obligation in the government-wide Statement of Net Position and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Payments for vacation will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at April 30, 2023 are determined on the basis of current salary rates and include salary related payments.

7. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face amount of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method, rather than expensed in the current year. Bond issuance costs are reported as debt service expenditures in the year they occur. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as a deferred outflow/inflow in the statement of net position.

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

9. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt

NOTES TO FINANCIAL STATEMENTS (Continued)

proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net positions that do not meet the definitions of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows.

- a. Nonspendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – consists of fund balances with constraints placed on their use by either 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the City. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.
- d. Assigned – Include spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The City has adopted a financial policy authorizing the City Administrator or Finance Director to assign funds for specific purposes. Any funds set aside as assigned fund balance must be reported to the City Council at their next regular meeting. The City Council has the authority to remove or change the assignment of the funds with a simple majority vote. Assignments may take place after the end of the reporting period. Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the City itself. All assigned fund balances are the residual amounts of the fund.
- e. Unassigned – Includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund net position is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

NOTES TO FINANCIAL STATEMENTS (Continued)

Under ordinance O-12-13, the City Council formally established a stabilization arrangement. The stabilization arrangement is contained as a committed balance within the General Fund. The stabilization arrangement shall not be used except for urgent events that affect the health and safety of residents including floods, fires or storm damage. Additions to the stabilization arrangement are required when this committed fund balance declines below 30% of current budgeted General Fund expenditures.

See section 11 below for further information.

10. Interfund Activity

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

11. Minimum Fund Balance

The City has adopted a formal minimum fund balance policy.

Emergency Reserve (Stabilization Arrangement)

Maintaining an Emergency Reserve is a necessity for sound financial management and fiscal accountability. The City Council has the authority to establish an Emergency Reserve that will be a Committed Fund Balance. An Emergency Reserve is established for the purpose of providing funds for an urgent event that affects the health and safety of residents (e.g. floods, fires, storm damage, etc.). The minimum level for the Emergency Reserve is 30% of the next year's budgeted General Fund expenditures. The recognition of an urgent event must be established by the City Council or their designee (e.g. City Administrator). If established by the governing board's designee, the specific urgent event must be reported to the City Council at their next meeting. A budget revision must be approved by the City Council. In the event that the balance drops below the established minimum level, the City Council will develop a plan to replenish the Emergency Reserve balance to the established minimum level within two years.

Enterprise Water Operating Reserve

The City's Enterprise Operating Fund working capital will be maintained to provide the City with a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing. The cash reserve balance (working capital) goal for the water enterprise operating funds will be at least twenty five percent (25%) of the actual operating expenditures for the fiscal year.

Enterprise Water Debt Stabilization Reserve

The City will maintain a "Debt Stabilization Fund" with an upper goal of approximately fifty percent (50%) of the maximum annual average debt service payment in the following five years. The Debt Stabilization Fund is intended to provide additional security to ensure the City's ability to meet debt service obligations. In the event the Debt Stabilization Fund is used, the City shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

Asset Maintenance Fund

The City will maintain an additional “Asset Maintenance Fund” with an upper goal equal to two percent (2%) of the enterprise fund infrastructure assets. The Asset Maintenance Fund may be used to provide funding for the repair and maintenance of critical infrastructure. In the event the Asset Maintenance Fund is used, the City shall strive to restore the fund to the defined level within the next three fiscal years following the fiscal year in which the fund was used.

Solid Waste Operating Reserve

The working capital goal for the residential and commercial solid waste enterprise funds is twenty percent (20%) of the actual expenditures for the current fiscal year.

12. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

13. Lease Arrangements

The City recognizes a right-to-use liability and asset for various lease agreements in the government-wide financial statements.

At the commencement of a lease, the City initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion of payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) the term, and (3) payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for the lease agreements.

The term includes the noncancellable period of the lease agreement. Payments included in the measurement of the right-to-use liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease agreements and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the right-to-use liability. Right-to-use assets are reported with Capital Assets and right-to-use liabilities are reported with Long Term Liabilities on the Statement of Net Position.

The City currently has no material leases that fall under this type of arrangement.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, and pension trust funds. All annual budgets lapse at fiscal year-end.

NOTES TO FINANCIAL STATEMENTS (Continued)

The City Administrator is the designated budget officer and is responsible to prepare an annual budget and present it to the City Council for review and passage. The annual budget is prepared by fund, with line-item detail, and includes information on the prior year, current year estimates, and each department's requested budget for the next fiscal year.

The budget process begins in early January with each department preparing its budget requests and submitting them to the City Administrator. The City Administrator then meets with each department to review the department's proposed budget, and adjustments are made to align the proposed budget with available funding sources. By late February, the proposed budget is compiled and distributed to the City Council. During March, several budget meetings are held at which the City Council completes an in-depth review of the proposed budget and provides recommended changes. During April, the proposed budget receives tentative approval from the City Council, a public hearing is held, and then the budget is adopted by the City Council in ordinance form. The budget, which by state law also serves as the appropriation ordinance, serves as the legal budget of the City and must be adopted by the City Council prior to May 1.

The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. No amendments were made to the budget during the year ended April 30, 2023.

B. EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2023, the following funds had expenditures that exceeded the budget.

Fund	Budget	Actual	Excess of Actual Over Budget
Palatine Road TIF	\$ 14,600	\$ 917,240	\$ 902,640
Police Pension Trust Fund	1,366,000	1,688,238	322,238
Special Service Area #6	218,895	219,500	605
Special Service Area #5	17,675	23,043	5,368
SWANCC Fund	463,000	466,346	3,346
Capital Projects Fund	2,400,105	4,827,537	2,427,432

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2023, the following individual fund held a deficit fund balance:

Funds	Amount	Reason
Special Service Area #1	\$ (108,050)	Current and prior operating expenditures exceeded available revenues or financing

All fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

D. LIMITATIONS ON THE CITY'S TAX LEVY

Tax rate ceilings are established by Illinois state law under the Property Tax Extension Limitation Act (PTELA) and are subject to change only by the approval of the voters of the City. The tax rate ceilings are applied at the fund level.

NOTES TO FINANCIAL STATEMENTS (Continued)

The PTELA limitations applied in the aggregate to the total levy (excluding certain levies for the repayment of debt) PTELA limits the increase in total taxes billed to the lessor of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is “new growth” in the City’s tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rate applicable to the 2022 and 2021 tax levies was 7.0% and 1.4%, respectively.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City and Police Pension’s deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balance	Potential Associated Risks
Deposits	\$ 9,800,797	\$ 9,015,168	
Illinois Funds Investment Pool	16,167,777	16,167,777	Credit risk
PMA Investment Pool	4,605,057	4,605,057	Credit, concentration of credit risk
Fixed Income CDs	974,701	974,701	Credit, interest rate risk
IIIT	1,009,254	1,009,254	Credit risk
Other money market accounts	5,471,009	6,332,496	Credit, interest rate, and concentration of credit risk
IPOPIF - Investment Fund	20,188,565	20,188,565	N/A
Petty cash	1,600	-	N/A
Total Deposits and Investments	<u>\$ 58,218,760</u>	<u>\$ 58,293,018</u>	

Reconciliation to financial statements

Per Statement of Net Position	
Cash and investments	\$ 37,660,617
Per Statement of Net Position - Fiduciary Funds	
Cash and cash equivalents	369,578
Investments	<u>20,188,565</u>
Total Deposits and Investments	<u>\$ 58,218,760</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and non-interest-bearing). In addition, if deposits are held at an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits with financial institutions are fully insured or collateralized by securities held in the City’s name.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City’s deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments

The Police Pension Fund holds all investments within the Illinois Police Officers’ Pension Investment Fund (IPOPIF). IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF

NOTES TO FINANCIAL STATEMENTS (Continued)

by Illinois suburban and downstate police pension funds is mandatory and investments were contributed to the IPOPIF Investment Fund on August 1, 2022. IPOPIF’s investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertained exclusively to the Article 3 participating police pension funds.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

At April 30, 2023, the pension’s investment portfolio had no concentrations.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2023, the City and Police Pension had the following investments, maturities, and fair value measurements:

Police Pension

Types of investments	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value Per Share
				Level 1	Level 2	
Debt Securities:						
IPOPIF - Investment Fund	Not Rated	less than 1 year	\$ 20,188,565	\$ -	\$ -	\$ 20,188,565
Total Debt Securities			\$ 20,188,565	\$ -	\$ -	\$ 20,188,565
Total Investments			\$ 20,188,565	\$ -	\$ -	\$ 20,188,565

City

Types of investments	Credit Quality/ Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value Per Share
				Level 1	Level 2	
Debt Securities:						
State Investment Pools	AAAm	less than 1 year	\$ 22,756,789	\$ -	\$ -	\$ 22,756,789
Total Debt Securities			\$ 22,756,789	\$ -	\$ -	\$ 22,756,789
Total Investments			\$ 22,756,789	\$ -	\$ -	\$ 22,756,789

The City and Police Pension Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

The investments in the Illinois Fund Investment Pool are measured at net asset value. Illinois Funds is not registered with the Securities and Exchange Commission (SEC) but operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

NOTES TO FINANCIAL STATEMENTS (Continued)

The City and Police Pension Fund held no investments subject to fair value measurement as of April 30, 2023.

The Police Pension Fund's pooled investment in IPOPIF, as noted in the table above, is valued at Net Asset Value per share. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org under Governing Documents, Policies, Investment Policy Statement. Invests in IPOPIF are valued at IPOPIF's share price, which is the amount it would cost to buy the shares in the investment pool.

B. RECEIVABLES

All of the receivables on the Balance Sheet are expected to be collected within one year.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Increases	Decreases	Balance April 30, 2023
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 2,107,040	\$ 13,757	\$ -	\$ 2,120,797
Right of ways	5,557,297	-	-	5,557,297
Easements	42,000	-	-	42,000
Construction in Progress	86,763	126,429	86,763	126,429
Total Capital Assets not being depreciated	<u>\$ 7,793,100</u>	<u>\$ 140,186</u>	<u>\$ 86,763</u>	<u>\$ 7,846,523</u>
Other Capital Assets				
Building and Improvements	\$ 7,946,252	\$ -	\$ -	\$ 7,946,252
Infrastructure	44,189,152	4,290,148	-	48,479,300
Machinery and Equipment	698,694	-	-	698,694
Office Furniture and Equipment	766,422	-	-	766,422
Vehicles	1,976,205	78,261	41,897	2,012,569
Total Other Capital Assets at Historical Cost	<u>\$ 55,576,725</u>	<u>\$ 4,368,409</u>	<u>\$ 41,897</u>	<u>\$ 59,903,237</u>
Total Capital Assets	<u>\$ 63,369,825</u>	<u>\$ 4,508,595</u>	<u>\$ 128,660</u>	<u>\$ 67,749,760</u>
Less Accumulated Depreciation for:				
Building and Improvements	\$ 2,932,177	\$ 191,325	\$ -	\$ 3,123,502
Infrastructure	28,160,143	869,266	-	29,029,409
Machinery and Equipment	546,020	44,969	-	590,989
Office Furniture and Equipment	739,645	8,116	-	747,761
Vehicles	1,533,553	98,505	41,897	1,590,161
Total Accumulated Depreciation	<u>\$ 33,911,538</u>	<u>\$ 1,212,181</u>	<u>\$ 41,897</u>	<u>\$ 35,081,822</u>
Other Capital Assets, Net	<u>\$ 21,665,187</u>	<u>\$ 3,156,228</u>	<u>\$ -</u>	<u>\$ 24,821,415</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,458,287</u>	<u>\$ 3,296,414</u>	<u>\$ 86,763</u>	<u>\$ 32,667,938</u>

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 94,746
Public Safety	123,792
Public Works	993,643
Total Governmental Activities Depreciation Expense	<u>\$ 1,212,181</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance May 1, 2022	Increases	Decreases	Balance April 30, 2023
Business-Type Activities				
Capital Assets not being depreciated				
Land	\$ 27,367	\$ -	\$ -	\$ 27,367
Easements	74,828	-	-	74,828
Construction in Progress	670,425	12,800	683,225	-
Total Capital Assets not being depreciated	<u>\$ 772,620</u>	<u>\$ 12,800</u>	<u>\$ 683,225</u>	<u>\$ 102,195</u>
Other Capital Assets				
Buildings and Improvements	\$ 1,901,789	\$ -	\$ -	\$ 1,901,789
Sanitary Sewers	-	683,225	-	683,225
Water Mains	4,417,245	-	-	4,417,245
Water Reservoirs	230,000	-	-	230,000
Machinery and Equipment	266,518	39,865	-	306,383
Vehicles	157,290	-	-	157,290
Total Other Capital Assets at Historical Cost	<u>\$ 6,972,842</u>	<u>\$ 723,090</u>	<u>\$ -</u>	<u>\$ 7,695,932</u>
Total Capital Assets	<u>\$ 7,745,462</u>	<u>\$ 735,890</u>	<u>\$ 683,225</u>	<u>\$ 7,798,127</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,241,958	\$ 46,254	\$ -	\$ 1,288,212
Sanitary Sewers	-	-	-	-
Water Mains	1,942,199	88,345	-	2,030,544
Water Reservoir	174,800	4,600	-	179,400
Machinery and Equipment	210,782	2,163	-	212,945
Vehicles	79,424	11,106	-	90,530
Total Accumulated Depreciation	<u>\$ 3,649,163</u>	<u>\$ 152,468</u>	<u>\$ -</u>	<u>\$ 3,801,631</u>
Other Capital Assets, Net	<u>\$ 3,323,679</u>	<u>\$ 570,622</u>	<u>\$ -</u>	<u>\$ 3,894,301</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,096,299</u>	<u>\$ 583,422</u>	<u>\$ 683,225</u>	<u>\$ 3,996,496</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Water	\$ 120,332
Parking	32,136
Total Business-Type Activities Depreciation Expense	<u>\$ 152,468</u>

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

1. Interfund Receivables/Payables/Advances

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
Motor Fuel Tax Fund	General Fund	\$ 357,111
Capital Projects Fund	General Fund	5,070,028
Capital Projects Fund	Nonmajor Governmental Funds	96,250
Nonmajor Governmental Funds	General Fund	273,122
General Fund	Nonmajor Governmental Funds	363,845
General Fund	Water Fund	31,279
General Fund	Parking Fund	529,033
General Fund	Sewer Fund	34,861
Water Fund	General Fund	97,163
Parking Fund	General Fund	56,120
Sewer Fund	General Fund	36,306
Nonmajor Governmental Funds	Water Fund	7,282
Police Pension Fund	General Fund	85,813

The principal purpose of these interfund balances is to cover cash overdrafts. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3)

NOTES TO FINANCIAL STATEMENTS (Continued)

payments between funds are made. The interfund receivables/payables are expected to be repaid within one year with the exception of the interfund balances between the General and the Nonmajor Enterprise Funds and the Capital Projects Fund and the General Fund.

For the Statement of Net Position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

2. Transfers

The following is a schedule of interfund transfers:

Transfer From	Transfer To	Amount
Nonmajor Governmental Funds	General Fund	\$ 102,600
General Fund	Capital Projects Fund	1,200,000
Nonmajor Governmental Funds	Capital Projects Fund	75,000
General Fund	Parking Fund	112,000
Total - Fund Financial Statements		<u>\$ 1,489,600</u>
Less: Fund eliminations		<u>(1,377,600)</u>
Total Interfund Advances - Government-Wide Statement of Activities		<u>\$ 112,000</u>

Generally, transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due and, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. In the current year, transfers were to move monies between the Tourism and General Funds, help fund capital projects in the Capital Projects Fund, and help fund FY23 operations in the Parking Fund.

For the Statement of Activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Additions	Retirements	Balance April 30, 2023	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 6,050,000	\$ -	\$ 1,200,000	\$ 4,850,000	\$ 1,265,000
Special Service Area Bonds	1,340,000	-	175,000	1,165,000	180,000
Unamortized Bond Premium	540,116	-	116,572	423,544	116,572
Total Bonds and Notes Payable	<u>\$ 7,930,116</u>	<u>\$ -</u>	<u>\$ 1,491,572</u>	<u>\$ 6,438,544</u>	<u>\$ 1,561,572</u>
Other Long-Term Liabilities					
Compensated Absences	\$ 331,592	\$ 278,482	\$ 198,955	\$ 411,119	\$ 246,671
Total Other Long-Term Liabilities	<u>\$ 331,592</u>	<u>\$ 278,482</u>	<u>\$ 198,955</u>	<u>\$ 411,119</u>	<u>\$ 246,671</u>
Governmental Activities Long-Term Obligations	<u>\$ 8,261,708</u>	<u>\$ 278,482</u>	<u>\$ 1,690,527</u>	<u>\$ 6,849,663</u>	<u>\$ 1,808,243</u>
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 215,000	\$ -	\$ 70,000	\$ 145,000	\$ 70,000
Total Bonds and Notes Payable	<u>\$ 215,000</u>	<u>\$ -</u>	<u>\$ 70,000</u>	<u>\$ 145,000</u>	<u>\$ 70,000</u>
Other Long-Term Liabilities					
Compensated Absences	\$ 10,559	\$ 8,025	\$ 6,335	\$ 12,249	\$ 7,349
Total Other Long-Term Liabilities	<u>\$ 10,559</u>	<u>\$ 8,025</u>	<u>\$ 6,335</u>	<u>\$ 12,249</u>	<u>\$ 7,349</u>
Business-Type Activities Long-Term Obligations	<u>\$ 225,559</u>	<u>\$ 8,025</u>	<u>\$ 76,335</u>	<u>\$ 157,249</u>	<u>\$ 77,349</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

The obligations of the above long-term liabilities will be repaid from the following funds:

Obligation	Fund
Special Assessment Bonds	Special Service Area #6 Debt Fund
General Obligation Bonds	General Fund, Road Construction Debt Fund
Compensated Absences	General Fund, Water Fund, Sewer Fund

The City is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the City. As of April 30, 2023, the statutory limit for the City was as follows:

2022 EAV	\$ 516,918,831
	X 8.625%
Debt Margin	\$ 44,584,249
Current Debt	5,418,544
Remaining Debt Margin	<u>\$ 39,165,705</u>

1. General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the Debt Service Fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies. General obligation debt at April 30, 2023 consists of the following:

	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities					
General Obligation Debt					
2008 General Obligation Debt	3/25/2008	12/15/2023	4.327%	\$ 2,045,000	\$ 180,000
2013 General Obligation Debt	4/16/2013	12/15/2026	2.00% - 2.35%	5,000,000	1,705,000
2020 General Obligation Debt	12/17/2020	12/15/2026	5.00%	4,195,000	2,965,000
Total Governmental Activities - General Obligation Debt				<u>\$ 11,240,000</u>	<u>\$ 4,850,000</u>
Business-Type Activities					
General Obligation Debt					
2010 General Obligation Debt	7/1/2010	12/15/2024	4.00% - 5.20%	\$ 800,000	\$ 145,000
Total Business-Type Activities - General Obligation Debt				<u>\$ 800,000</u>	<u>\$ 145,000</u>

Debt service requirements maturity are as follows:

Year Ending April 30	Governmental Activities - General Obligation Debt			Business-Type Activities - General Obligation Debt		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,265,000	\$ 192,771	\$ 1,457,771	\$ 70,000	\$ 7,400	\$ 77,400
2025	1,140,000	143,032	1,283,032	75,000	3,900	78,900
2026	1,190,000	98,634	1,288,634	-	-	-
2027	1,255,000	50,955	1,305,955	-	-	-
	<u>\$ 4,850,000</u>	<u>\$ 485,392</u>	<u>\$ 5,335,392</u>	<u>\$ 145,000</u>	<u>\$ 11,300</u>	<u>\$ 156,300</u>

2. Special Service Area Bonds

Special service area bonds have been issued to provide funds for water main capital construction and road capital improvements within the Lake Claire Special Service Area. The bonds issued in 2009 were refunded in fiscal year 2019. The aggregate difference in debt service between the refunding debt and the refunded debt was a favorable \$240,942. Special service area bonds at April 30, 2023 consist of the following:

NOTES TO FINANCIAL STATEMENTS (Continued)

Governmental Activities	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Special Service Area Bonds					
Special Service Area Refunding Bond	9/27/2018	12/15/2028	2.00% - 3.50%	\$ 1,820,000	\$ 1,165,000

At April 30, 2023 the annual debt service requirements to service special service area bonds are:

Governmental Activities - Special Service Area Bonds			
Year Ending April 30	Principal	Interest	Total
2024	\$ 180,000	\$ 38,733	\$ 218,733
2025	185,000	33,243	218,243
2026	190,000	27,322	217,322
2027	195,000	21,052	216,052
2028	205,000	14,423	219,423
2029-2032	210,000	7,350	217,350
	<u>\$ 1,165,000</u>	<u>\$ 142,123</u>	<u>\$ 1,307,123</u>

F. FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2023 include the following:

Nonspendable

Major Funds	
General Fund	
Advance to other funds	\$ 634,749
Prepaid Items	78,938
Subtotal General Fund	<u>\$ 713,687</u>
Nonmajor Funds	
SWANCC Fund	
Prepaid Items	\$ 31,104
Special Service Area #5	
Prepaid Items	447
Special Service Area #8	
Prepaid Items	447
Subtotal Nonmajor Funds	<u>\$ 31,998</u>
Total	<u>\$ 745,685</u>

Restricted

Major Funds	
General Fund	
Public Safety	\$ 58,995
Streets and Highways	2,840
Subtotal General	<u>\$ 61,835</u>
Motor Fuel Tax Fund	
Streets and Highways	\$ 5,364,483
Nonmajor Funds	
Special Service Area Improvements	\$ 1,341,353
Tourism	571,867
Public Safety	487,373
Debt Service	1,062,806
Subtotal Nonmajor	<u>\$ 3,463,399</u>
Total	<u>\$ 8,889,717</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Committed

Major Funds		
General Fund		
Revenue Stabilization	\$	3,155,000
Capital Projects Fund		
Capital Projects		5,052,208
Nonmajor Fund		
Solid Waste Disposal		108,269
Total	\$	<u>8,315,477</u>

Unassigned

Major Funds		
General Fund	\$	13,912,795
Nonmajor Funds		
Special Service Area #1		(165,677)
Total	\$	<u>13,747,118</u>

G. PROPERTY TAXES

A summary of the assessed valuation, rates, and extensions for the years 2022, 2021 and 2020 are as follows:

Tax Year	2022		2021		2020	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Assessed Valuation	\$516,918,831		\$414,593,891		\$454,191,099	
Bonds and Interest	0.2580	\$ 1,333,482	0.3177	\$ 1,317,207	0.2892	\$ 1,313,673
Police Pension	0.0867	448,168	0.1015	420,812	0.0906	411,497
Revenue Recapture	0.0020	10,414	0.0088	36,601	-	-
Total Taxes Extended	0.3467	\$ 1,792,064	0.4280	\$ 1,774,620	0.3798	\$ 1,725,170
Special Service Area #5	-	\$ 32,332	-	\$ 29,355	-	\$ 28,119
Special Service Area #6	-	\$ 229,670	-	\$ 229,840	-	\$ 229,499
Special Service Area #8	-	\$ 165,985	-	\$ 150,689	-	\$ 144,200
TIF - Palatine Road	-	\$ -	-	\$ 133,000	-	\$ 100,000
TIF - Milwaukee/Palatine Road	-	\$ -	-	\$ -	-	\$ 173

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system; and the Police Pension Plan which is a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. For the year ended April 30, 2023, the City recognized combined pension expense from these two pension plans of \$2,099,075.

The Police Pension Plan does not issue a separate report on the pension plan. IMRF does issue a publicly available report that includes financial statements and supplementary information of 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.

ILLINOIS MUNICIPAL RETIREMENT FUND

Plan Description. The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are

NOTES TO FINANCIAL STATEMENTS (Continued)

established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

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

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

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

Employees Covered by Benefit Terms. All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members and beneficiaries currently receiving benefits	48
Inactive plan members entitled to but not yet receiving benefits	33
Active plan members	21
Total	102

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2022 and 2023 was 11.32% and 7.33%, respectively. For the fiscal year ended April 30, 2023, the City contributed \$153,812 to the plan. The City also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension (Asset)/Liability. The components of the net pension (asset)/liability of the IMRF actuarial valuation performed as of December 31, 2022, with a measurement date as of that date, calculated in accordance with GASB Statement No. 68, were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Total Pension Liability	\$	13,162,722
IMRF Fiduciary Net Position		12,020,653
City's Net Pension Liability (Asset)		1,142,069
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		91.32%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information following the notes to the financial statements for additional information related to the funded status of the plan.

Actuarial Assumptions. The total pension liability above was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial methods and assumptions:

Assumptions	
Inflation	2.25%
Salary Increases	2.85% - 13.75% including inflation
Interest Rate	7.25%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study for the period 2017-2019.

For non-disabled 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 were used. 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 were used. 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 were used.

Long-Term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2022:

Asset Class	Target Allocation	Projected Return
Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Fixed Income	25.50%	4.90%
Real Estate	10.50%	6.20%
Alternatives	9.50%	
Private Equity		9.90%
Hedge Funds		N/A
Commodities		6.25%
Cash Equivalents	1.00%	4.00%
	<u>100.00%</u>	

Single Discount Rate. A Single Discount Rate of 7.25% was used to measure the total pension liability as of December 31, 2022. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined

NOTES TO FINANCIAL STATEMENTS (Continued)

contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 4.05%; and resulting single discount rate is 7.25%. The prior year single discount rate was 7.25% and increased 0.00% to the current year single discount rate.

Changes in the Net Pension (Asset)/Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A)-(B)
Balances at December 31, 2021	\$ 12,756,157	\$ 14,213,502	\$ (1,457,345)
Changes for the year:			
Service Cost	\$ 135,868	\$ -	\$ 135,868
Interest on the Total Pension Liability	904,198	-	904,198
Differences Between Expected and Actual Experience of the Total Pension Liability	71,286	-	71,286
Contributions - Employer	-	166,784	(166,784)
Contributions - Employee	-	66,301	(66,301)
Net Investment Income	-	(1,783,399)	1,783,399
Benefit Payments, including Refunds of Employee Contributions	(704,787)	(704,787)	-
Other (Net Transfer)	-	62,252	(62,252)
Net Changes	\$ 406,565	\$ (2,192,849)	\$ 2,599,414
Balances at December 31, 2022	\$ 13,162,722	\$ 12,020,653	\$ 1,142,069

Sensitivity of the Net Pension (Asset)/Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher than the current rate:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Net Pension Liability/(Asset)	\$ 2,497,885	\$ 1,142,069	\$ 56,763

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2023, the City recognized pension expense/(income) of (\$99,953). At April 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 35,457	\$ -	\$ 35,457
Net difference between projected and actual earnings on pension plan investments	920,107	-	920,107
Total deferred amounts to be recognized in pension expenses in future periods	\$ 955,564	\$ -	\$ 955,564
Pension contributions made subsequent to the measurement date	36,109	-	36,109
Total deferred amounts related to pensions	\$ 991,673	\$ -	\$ 991,673

NOTES TO FINANCIAL STATEMENTS (Continued)

\$36,109 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2023	\$ (54,515)
2024	142,586
2025	307,686
2026	559,807
2027	-
Thereafter	-
Total	\$ 955,564

POLICE PENSION PLAN

Plan Description. Full-time police sworn personnel of the City are covered by The Police Pension Plan (Plan), which is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Plan as a pension trust fund. No separate report is issued on this pension plan.

The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Board consists of seven elected or appointed members.

Plan Membership. At April 30, 2023, the date of the latest actuarial evaluation, Plan participation consisted of:

Inactive plan members or beneficiaries receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	23
Total	<u>46</u>

Benefits Provided. The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

Covered employees hired before January 1, 2011 attaining the age of 50 or more 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 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or ½ the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

NOTES TO FINANCIAL STATEMENTS (Continued)

Contributions. Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City 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 City has until the year 2040 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2023 the City's contribution was 32.51% of covered payroll.

Money-Weighted Rate of Return. For the year ended April 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was (5.26%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability. The components of the net pension liability of the Plan as of April 30, 2023, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	38,052,488
Plan Fiduciary Net Position		20,648,744
City's Net Pension Liability		17,403,744
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		54.26%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information for additional information related to the funded status of the Plan.

Actuarial Assumptions. The total pension liability above was determined by an actuarial valuation performed as of May 1, 2023 using the following actuarial methods and assumptions:

Actuarial Valuation Date	May 1, 2023
Actuarial Cost Method	Entry Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	4.00% - 9.51%
Investment Rate of Return	6.50%
Asset Valuation Method	5-Year Smoothed Fair Value

Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis. 50% of active Member deaths are assumed to be in the Line of Duty.

Retiree mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 improvement rates. These rates are then improved fully generationally using MP-2019 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

Other demographic assumption rates are based on a review of assumptions in the L&A 2020 study for Illinois Police Officers.

NOTES TO FINANCIAL STATEMENTS (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 5.61%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the High-Quality 20 Year Tax Exempt G.O. Bond Rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at May 1, 2022	\$ 31,596,613	\$ 21,100,136	\$ 10,496,477
Changes for the year:			
Service Cost	\$ 542,850	\$ -	\$ 542,850
Interest on the Total Pension Liability	2,017,069	-	2,017,069
Changes of Benefit Terms	(45,366)	-	(45,366)
Differences Between Expected and Actual Experience of the Total Pension Liability	1,122,364	-	1,122,364
Changes in Assumptions	4,437,442	-	4,437,442
Contributions - Employer	-	755,705	(755,705)
Contributions - Employee	-	225,536	(225,536)
Contributions - Other	-	11,517	(11,517)
Net Investment Income	-	214,806	(214,806)
Benefit Payments, Including Refunds of Employee Contributions	(1,618,484)	(1,618,484)	-
Administrative Expense	-	(40,472)	40,472
Net Changes	\$ 6,455,875	\$ (451,392)	\$ 6,907,267
Balances at April 30, 2023	\$ 38,052,488	\$ 20,648,744	\$ 17,403,744

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the Plan's net pension liability, calculated using a Single Discount Rate of 5.61%, as well as what the Plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 4.61%	Current Discount Rate 5.61%	1% Increase 6.61%
Net Pension Liability	\$ 23,565,181	\$ 17,403,744	\$ 12,474,735

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended April 30, 2023, the City recognized pension expense of \$2,199,028. At April 30, 2023, the City reported net deferred outflows/(inflows) of resources related to pensions from the following sources:

Expense in Future Periods	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 1,683,857	\$ 511,225	\$ 1,172,632
Assumption changes	4,816,333	98,171	4,718,162
Net difference between projected and actual earnings on pension investments	1,212,775	-	1,212,775
Total deferred amounts to be recognized in pension expense in future periods	\$ 7,712,965	\$ 609,396	\$ 7,103,569

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending April 30	Net Deferred Outflows of Resources
2024	\$ 1,238,734
2025	985,406
2026	1,681,290
2027	1,114,283
2028	870,619
Thereafter	1,213,237
	\$ 7,103,569

Payable to the Pension Plan. At April 30, 2023, the City reported a payable of \$85,813 for the outstanding amount of contributions to the pension plan required for the year ended April 30, 2023.

B. RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participated in a public entity risk pool to provide coverage for losses from workers compensations and property and casualty. However, other risks, such as torts; errors and omission; and health care of its employees are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Public Entity Risk Pool

Illinois Counties Risk Management Trust (ICRMT)

The City participates in the Illinois Counties Risk Management Trust (ICRMT). Established in 1983, the ICRMT is a risk pooling program for workers compensation and property and casualty coverages for Illinois public entities.

Contributions are determined by the Executive Board based on factors including, but not limited to, the following: the claims experience, investment income, costs and expense of the ICRMT as a whole and each participant’s own claims experience.

The City’s liability is limited to those claims and losses within the scope of the coverages provided and the City is not responsible for the debts of or claims against any other participant.

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide financial statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City’s financial position or results of operations.

The City has been named in various pending or threatened litigation, claims or assessments. The ultimate outcome/resolution of these matters is not known at this time. The City is monitoring the progress of these matters.

D. *JOINT VENTURES*

Solid Waste Agency of Northern Cook County (SWANCC)

The City is a member of the SWANCC, which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended, (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members. The percentage share of the City, based on a formula contained in SWANCC's agreement, as of April 30, 2023, is 2.76%. This percentage share is subject to change in future years based on the usage of the municipalities.

The members form a contiguous geographic service area, which is located northwest of downtown Chicago. Under the Agency Agreement, additional members may join SWANCC, upon the approval of each member. SWANCC is governed by a Board of Directors which consists of one appointed Mayor or President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board. The Board determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules, and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or by the bylaws. Complete financial statements are available from the Solid Waste Agency of Northern Cook County, 77 West Hintz Road, Suite 200, Wheeling, Illinois 60090.

The City has committed to pay its share of the annual operating costs and fixed costs of SWANCC. The City's share of dual costs is expected to be funded through the tipping fees paid by refuse haulers. The City began delivering refuse to SWANCC in May 1995. Present contract provisions transfer the cost burden to the waste hauler.

SWANCC has entered into solid waste disposal contracts with member municipalities. The contracts are irrevocable and may not be terminated or amended, except as provided in the contract. Each member is obligated, on a "take or pay" basis, to purchase or, in any event, to pay for a minimum annual cost of the system. The obligation of the City to make all payments as required by the contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC or its obligations under the contract. Payments to SWANCC totaled \$466,345 for the year ended April 30, 2023. The City does not have an equity interest in SWANCC.

Chicago Executive Airport

The City is a member of the Chicago Executive Airport (the Airport), a proprietary joint venture, which consists of two municipalities. Chicago Executive Airport is a joint airport commission established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). Chicago Executive Airport is empowered under the Act to acquire, organize, operate, and maintain an airport to serve its members and other potential airport customers. Chicago Executive Airport is an intergovernmental cooperative created under Illinois law to allow the City of Prospect Heights, Illinois and the Village of Wheeling, Illinois (collectively referred to as member municipalities) joint ownership and administration of the Airport. Each member has a 50% share as of the date of this report.

The member municipalities have entered into agreements with Federal Aviation Administration of the United States of America and the state of Illinois to sponsor projects for the acquisition and development of the Airport. Although assets are legally held in the name of the member municipalities, such assets are recorded in Chicago Executive Airport's financial statements to present the overall financial position and operations of the Airport. Airport revenues are solely restricted to funding airport development and airport maintenance expenses. The duration of the intergovernmental agreement shall be for the term of

NOTES TO FINANCIAL STATEMENTS (Continued)

20 years or the useful life of the Airport, whichever is longer, unless sooner terminated and dissolved by mutual agreements of the member municipalities or by operation of law.

Per the agreement, the City and the Village of Wheeling have an equal share of the assets of the Airport and at the termination of the agreement, the City and the Village of Wheeling shall dispose of all property acquired under the agreement. Therefore, the City has an ongoing financial (equity) interest in the Airport.

Chicago Executive Airport is governed by a Board of Directors, which consists of five members plus a Chairman. The Board establishes the policies of the Airport, reviews the performance of the Airport Manager, makes recommendations on the annual budget, approves bills, enters into contracts, makes recommendations on appointment, removal, or discipline of the Airport Manager, recommends changes to the intergovernmental agreement, recommends changes to the rules and regulations, recommends changes to the Airport Layout Plan, makes recommendations on private financing of Airport improvements, makes recommendations on rates and charges, and exercises all powers not reserved to the municipalities.

The powers reserved to the two municipalities are: appointment, discharge, and discipline of the Airport Manager, approval of the Airport Layout Plan, approval of any leases and contracts not in conformance with Airport rules and regulations, approval of any debt obligations, approval of the annual budget, approval of amendments to the intergovernmental agreement, and approval of land acquisition. The Board acts primarily in a "management" capacity.

The City's investment in the joint venture is accounted for using the equity method. Under the equity method, the investment asset is adjusted for the City's share of the change in net position. The City's share of the change in net position is reported as a single line item, either revenue or expense depending on whether the net change is positive or negative.

Summary of Financial Information of Joint Venture

Summary of net position as of April 30, 2023:

Assets	
Current Assets	\$ 57,402,912
Capital Assets	86,422,627
Total Assets	<u>\$ 143,825,539</u>
Liabilities	
Current Liabilities	\$ 1,086,867
Long-Term Liabilities	5,474,102
Total Liabilities	<u>\$ 6,560,969</u>
Deferred Inflow s	<u>\$ 45,888,270</u>
Net Position	<u>\$ 91,376,300</u>

Summary of changes in net position for the year ended April 30, 2023:

Total Revenues	\$ 7,823,872
Total Expenses	<u>6,976,525</u>
Net income/(loss) before capital contributions	\$ 847,347
Capital contributions	<u>1,062,700</u>
Change in net position	\$ 1,910,047
Net Position, beginning of year*	<u>89,466,253</u>
Net position, end of year	<u>\$ 91,376,300</u>

*The airport's beginning of year Net Position was restated during FY'23 for the implementation of GASB 87. The City of Prospect Heights accounted for this restatement as a Net Position Adjustment.

NOTES TO FINANCIAL STATEMENTS (Continued)

Complete financial statements are available from the Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois 60090. At April 30, 2023, the City’s proportionate shares of equity and net income were \$45,688,150 and \$955,023, respectively. The City made no payments to the Airport for the year ended April 30, 2023, however, the City did receive revenue sharing payments from the Airport in the amount of \$62,415.

E. OTHER POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

Plan Overview. In addition to the retirement plans described in Note IV (A), the City provides post-employment benefits other than pensions (“OPEB”) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City 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 stand-alone financial report. The activity of the plan is reported in the City’s governmental and business-type activities.

Benefits Provided. The City provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the City’s retirement plans or meet COBRA requirements. All health care benefits are provided through the City’s insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general medical services and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the City’s active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the City. Employees are not required to contribute to the plan.

Membership. Membership in the Plan consisted of the following at May 1, 2022, the date of the latest actuarial valuation:

Active employees	36
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	6
Total	<u>42</u>

Total OPEB Liability. The City’s total OPEB liability was measured as of April 30, 2023, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2022.

Actuarial Assumptions. The total OPEB liability in the May 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount Rate	3.53%
Inflation	2.25%
Salary Rate Increase	3.00%
Health Care Trend	
Initial Trend Rate	7.00% - 7.30%
Ultimate Trend Rate	5.00%
FY the Ultimate is Reached	2032

NOTES TO FINANCIAL STATEMENTS (Continued)

Mortality	<p><i>Active Employees IMRF</i> - PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females</p> <p><i>Active Employees Police</i> - follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates</p> <p><i>Retirees IMRF</i> - PubG-2010(B) Improved Generationally using MP-2020 Improvement Rates, weighted per IMRF Experience Study Report dated December 14, 2020; Age 83 for Males, Age 87 for Females</p> <p><i>Retirees Police</i> - follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are improved generationally using MP-2019 Improvement Rates</p>
Election at Retirement	30% of IMRF and Police employees are assumed to elect coverage at retirement
Marital Status	50% of employees electing coverage continuation are assumed to be married and to elect spousal coverage with males three years older than females. Actual spouse data was used for current retirees.

The actuarial assumptions used in the May 1, 2022 valuation were based on the results of an actuarial experience study for the period dated May 1, 2021 through April 30, 2022. Assumption changes reflect a change in the discount rate of 0.32% from 3.21% for the beginning of the year values and 3.53% for the disclosure date.

There is no long-term expected rate of return on OPEB plan investments because the City does not have a trust dedicated exclusively to the payment of OPEB benefits.

Discount Rate. The City does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 3.53% is used, which is the Bond Buyer 20-Bond GO Index as of April 30, 2023.

Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at May 31, 2022	\$ 1,776,334	\$ -	\$ 1,776,334
Changes for the year:			
Service Cost	\$ 30,955	\$ -	\$ 30,955
Interest on Total OPEB Liability	54,378	-	54,378
Assumption Changes	(53,533)		(53,533)
Benefit Payments	(164,601)	(164,601)	-
Contributions - Employer	-	164,601	(164,601)
Net Changes	\$ (132,801)	\$ -	\$ (132,801)
Balances at April 30, 2023	\$ 1,643,533	\$ -	\$ 1,643,533

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Decrease	Valuation Rate	1% Increase
\$ 1,791,207	\$ 1,643,533	\$ 1,519,103

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates. The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
	Healthcare Cost	
1% Decrease	Valuation Rate	1% Increase
\$ 1,493,036	\$ 1,643,533	\$ 1,823,607

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the fiscal year ended April 30, 2023, the City recognized OPEB expense of \$31,800. At April 30, 2023, the City reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

F. TAX ABATEMENT AGREEMENTS

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City is disclosing all abatement agreements individually.

The City has entered into a sales tax abatement agreement with Tony’s Finer Foods Enterprises as an incentive to operate a grocery store to spur retail activity in a shopping center within the community. The abatement is originally authorized through an Agreement passed by the City Council in Ordinance 12-37 on October 22, 2012 to the previous owner with a subsequent assignment and assumption of the Economic Incentive Agreement dated May 1, 2016. Per the agreement, incentive payments will be made for a period of 12 years beginning in 2016 with sharing percentages ranging from 70.54% in the first year to 13.04% in the final year. If the total payments exceed \$2.9 million, the percentage shall be 25% until October 2027. For the year ending April 30, 2023, total incentive payments were \$142,945.

The City has entered into a sales tax abatement agreement with Thorntons Inc as an incentive to operate a gas station and convenience store on a property which has been underutilized for a number of years. The abatement was authorized through an Agreement passed by the City Council on April 24, 2017. Per the agreement, incentive payments will be made for a period of 5 years and 6 months beginning on the store opening date with a sharing percentage of 50% of total tax receipts. If total payments reach \$329,000 before the end of the period of the agreement, the agreement terminates and no more payments are due. For the year ending April 30, 2023, total incentive payments were \$66,583.

All abatement agreements are entered into under the authority of the Mayor, City Clerk, and City Council.

G. NET INVESTMENT IN CAPITAL ASSETS CALCULATION

Net investment in capital assets calculation as of April 30, 2023 was as follows:

Governmental Activities	
Capital Assets, Net of Accumulated Depreciation	\$ 32,667,938
Less: Capital Related Debt	(6,438,544)
Investment in Capital Assets	<u>\$ 26,229,394</u>
Business-Type Activities	
Capital Assets, Net of Accumulated Depreciation	\$ 3,996,496
Less: Capital Related Debt	(145,000)
Investment in Capital Assets	<u>\$ 3,851,496</u>

H. CHANGE IN ACCOUNTING PRINCIPLE

The City has implemented GASB Statement No. 87, *Leases*. This statement establishes financial reporting standards related to lease arrangements. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of an applicable agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

I. NET POSITION/FUND BALANCE ADJUSTMENTS

In prior years, the City accrued two months of Income and Personal Property from the State of Illinois. In the current year, the Village began recognizing these revenues based on when the State has vouchered or allocated these payments as these amounts are not derived tax revenues at the local government level. Instead, these revenues fall in line with a voluntary non-exchange transaction, in which eligibility then availability requirements should both be determined before recognizing the revenue. In the case of revenues, these eligibility and availability requirements are not met until the month the funds are vouchered by that state. Due to this, a fund balance adjustment and corresponding net position adjustment were made for the prior year accrual amount of \$509,716, as these eligibility requirements were not met in the prior year as well.

The City accounts for their 50% share of their joint venture investment in Chicago Executive Airport using the equity method. Therefore, any changes the airport's net position is recorded on the City's government-wide financial statements either as revenue or expense depending on whether Net Position increased or decreased in the current year. During fiscal year 2023, the Chicago Executive Airport implemented GASB Statement No. 87, *Leases*. Since the airport issues comparative financial statements, the implementation of GASB 87 caused a restatement of fiscal year 2022 financials. This caused ending net position as of April 30, 2022 to change compared to what the City had recorded on their financials for the same period. Due to this, a net position adjustment was made to account for the change in net position as of April 30, 2022 in the amount of \$236,232.

A summary of all net position and fund balance adjustments as of April 30, 2023, is as follows:

Governmental Activities	<u>Net Position</u>	Governmental Funds - General Fund	<u>Fund Balance</u>
Adjustment to remove prior year accrual of Income and Personal Property taxes	\$ (509,716)	Adjustment to remove prior year accrual of Income and Personal Property taxes	<u>\$ (509,716)</u>
Adjustment to correct Airport Investment balance due to implementation of GASB 87	236,232		
	<u>\$ (273,484)</u>		

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED APRIL 30, 2023

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (72,537)	\$ 4,091,348	\$ 4,163,885
OTHER FINANCING SOURCES/(USES) Transfers	<u>3,250</u>	<u>(1,209,400)</u>	<u>(1,212,650)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (69,287)</u>	\$ 2,881,948	<u>\$ 2,951,235</u>
FUND BALANCE - MAY 1, 2022		15,471,085	
FUND BALANCE ADJUSTMENT (NOTE IV - I)		<u>(509,716)</u>	
FUND BALANCE - APRIL 30, 2023		<u>\$ 17,843,317</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 MAJOR SPECIAL REVENUE FUND - MOTOR FUEL TAX
 FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Motor Fuel Tax	\$ 796,056	\$ 836,704	\$ 40,648
Investment Income	1,000	142,918	141,918
Total Revenues	\$ 797,056	\$ 979,622	\$ 182,566
EXPENDITURES			
Total Expenditures	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 797,056	\$ 979,622	\$ 182,566
OTHER FINANCING SOURCES (USES)			
Transfers	-	-	-
NET CHANGE IN FUND BALANCE	\$ 797,056	\$ 979,622	\$ 182,566
FUND BALANCE - MAY 1, 2022		4,384,861	
FUND BALANCE - APRIL 30, 2023		\$ 5,364,483	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2023

	4/30/2023*	4/30/2022*	4/30/2021*	4/30/2020*	4/30/2019*	4/30/2018*	4/30/2017*	4/30/2016*
TOTAL PENSION LIABILITY								
Service Cost	\$ 135,868	\$ 143,784	\$ 144,037	\$ 139,897	\$ 133,920	\$ 162,911	\$ 149,243	\$ 141,921
Interest on Total Pension Liability	904,198	912,984	876,606	852,107	814,238	817,631	745,396	695,680
Differences Between Expected and Actual Experience	71,286	(454,710)	279,465	(6,207)	257,771	(118,190)	571,045	299,316
Changes of Assumptions	-	-	(94,783)	-	291,440	(339,343)	(23,563)	11,372
Benefit Payments, Including Refunds of Member Contributions	(704,787)	(733,789)	(673,062)	(626,856)	(580,469)	(527,039)	(497,736)	(452,023)
Net Change in Total Pension Liability	\$ 406,565	\$ (131,731)	\$ 532,263	\$ 358,941	\$ 916,900	\$ (4,030)	\$ 944,385	\$ 696,266
Total Pension Liability - Beginning	12,756,157	12,887,888	12,355,625	11,996,684	11,079,784	11,083,814	10,139,429	9,443,163
Total Pension Liability - Ending	\$ 13,162,722	\$ 12,756,157	\$ 12,887,888	\$ 12,355,625	\$ 11,996,684	\$ 11,079,784	\$ 11,083,814	\$ 10,139,429
PLAN FIDUCIARY NET POSITION								
Contributions - Employer	\$ 166,784	\$ 199,220	\$ 212,104	\$ 148,508	\$ 162,456	\$ 175,762	\$ 189,190	\$ 171,547
Contributions - Member	66,301	64,869	67,549	62,228	59,147	62,872	98,116	65,806
Net Investment Income	(1,783,399)	2,164,429	1,649,878	1,879,774	(572,869)	1,680,456	620,021	43,117
Benefit Payments, Including Refunds of Member Contributions	(704,787)	(733,789)	(673,062)	(626,856)	(580,469)	(527,039)	(497,736)	(452,023)
Other (Net Transfer)	62,252	(365,001)	119,235	(105,781)	245,757	(391,162)	612,930	253,636
Net Change in Plan Fiduciary Net Position	\$ (2,192,849)	\$ 1,329,728	\$ 1,375,704	\$ 1,357,873	\$ (685,978)	\$ 1,000,889	\$ 1,022,521	\$ 82,083
Plan Net Position - Beginning	14,213,502	12,883,774	11,508,070	10,150,197	10,836,175	9,835,286	8,812,765	8,730,682
Plan Net Position - Ending	\$ 12,020,653	\$ 14,213,502	\$ 12,883,774	\$ 11,508,070	\$ 10,150,197	\$ 10,836,175	\$ 9,835,286	\$ 8,812,765
City's Net Pension Liability	\$ 1,142,069	\$ (1,457,345)	\$ 4,114	\$ 847,555	\$ 1,846,487	\$ 243,609	\$ 1,248,528	\$ 1,326,664
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.32%	111.42%	99.97%	93.14%	84.61%	97.80%	88.74%	86.92%
Covered-Valuation Payroll	\$ 1,473,358	\$ 1,509,387	\$ 1,443,363	\$ 1,371,149	\$ 1,314,372	\$ 1,397,151	\$ 1,451,961	\$ 1,375,680
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	77.51%	-96.55%	0.29%	61.81%	140.48%	17.44%	85.99%	96.44%

* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTION
LAST TEN FISCAL YEARS

	<u>4/30/2023*</u>	<u>4/30/2022*</u>	<u>4/30/2021*</u>	<u>4/30/2020*</u>	<u>4/30/2019*</u>	<u>4/30/2018*</u>	<u>4/30/2017*</u>	<u>4/30/2016*</u>
Actuarially-Determined Contribution	\$ 166,784	\$ 199,220	\$ 212,104	\$ 147,536	\$ 162,456	\$ 175,762	\$ 189,191	\$ 171,547
Contributions in relation to Actuarially-Determined Contribution	<u>166,784</u>	<u>199,220</u>	<u>212,104</u>	<u>148,508</u>	<u>162,456</u>	<u>175,762</u>	<u>189,190</u>	<u>171,547</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (972)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
Covered-Valuation Payroll	\$ 1,532,393	\$ 1,431,598	\$ 1,466,893	\$ 1,399,050	\$ 1,312,850	\$ 1,342,020	\$ 1,548,073	\$ 1,475,434
Contributions as a percentage of Covered-Valuation Payroll	10.88%	13.92%	14.46%	10.61%	12.37%	13.10%	12.22%	11.63%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2022 Contribution Rate *

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Actuarial Cost Method: Aggregate entry age normal

Amortization Method: Level percentage of payroll, closed

Remaining Amortization Period: 21-year closed period

Asset Valuation Method: 5-year smoothed fair value; 20% corridor

Wage Growth: 2.75%

Price Inflation: 2.25%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 2.85% to 13.75%, including inflation

Investment Rate of Return: 7.25%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.

Mortality: For non-disabled 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.

*Based on Valuation Assumptions used in the December 31, 2020 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2023

	4/30/2023	4/30/2022	4/30/2021	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
TOTAL PENSION LIABILITY									
Service Cost	\$ 542,850	\$ 509,374	\$ 501,584	\$ 398,261	\$ 456,041	\$ 427,205	\$ 428,118	\$ 450,562	\$ 421,779
Interest	2,017,069	1,938,539	1,888,539	1,746,066	1,662,493	1,528,417	1,532,118	1,380,834	1,254,008
Changes in Benefit Terms	(45,366)	-	-	339,342	-	-	-	-	-
Differences Between Expected and Actual Experience	1,122,364	(392,420)	(361,557)	571,408	97,370	1,166,470	(6,929)	(429,471)	(477,794)
Changes in Assumptions	4,437,442	-	1,069,814	515,587	-	(340,571)	(621,154)	1,156,506	1,145,952
Benefit Payments, Including Refunds of Member Contributions	(1,618,484)	(1,305,996)	(1,166,688)	(1,045,781)	(909,776)	(680,633)	(472,067)	(322,396)	(741,886)
Net Change in Total Pension Liability	\$ 6,455,875	\$ 749,497	\$ 1,931,692	\$ 2,524,883	\$ 1,306,128	\$ 2,100,888	\$ 860,086	\$ 2,236,035	\$ 1,602,059
Total Pension Liability - Beginning	31,596,613	30,847,116	28,915,424	26,390,541	25,084,413	22,983,525	22,123,439	19,887,404	18,285,345
Total Pension Liability - Ending	\$ 38,052,488	\$ 31,596,613	\$ 30,847,116	\$ 28,915,424	\$ 26,390,541	\$ 25,084,413	\$ 22,983,525	\$ 22,123,439	\$ 19,887,404
PLAN FIDUCIARY NET POSITION									
Contributions - Employer	\$ 755,705	\$ 1,148,839	\$ 997,013	\$ 985,385	\$ 794,856	\$ 1,125,669	\$ 877,282	\$ 715,486	\$ 671,436
Contributions - Member	237,053	218,155	215,081	210,549	241,784	209,576	246,043	194,882	178,778
Net Investment Income	214,806	(1,146,368)	4,925,707	(97,225)	1,125,377	981,790	1,056,552	(122,786)	724,207
Benefit Payments, Including Refunds of Member Contributions	(1,618,484)	(1,305,996)	(1,166,688)	(1,045,781)	(909,776)	(680,633)	(472,067)	(322,396)	(742,462)
Administrative Expenses	(40,472)	(32,337)	(39,645)	(32,954)	(30,367)	(30,956)	(28,861)	(32,766)	(22,575)
Net Change in Plan Fiduciary Net Position	\$ (451,392)	\$ (1,117,707)	\$ 4,931,468	\$ 19,974	\$ 1,221,874	\$ 1,605,446	\$ 1,678,949	\$ 432,420	\$ 809,384
Plan Net Position - Beginning	21,100,136	22,217,843	17,286,375	17,266,401	16,044,527	14,439,081	12,760,133	12,327,713	11,518,329
Plan Net Position - Ending	\$ 20,648,744	\$ 21,100,136	\$ 22,217,843	\$ 17,286,375	\$ 17,266,401	\$ 16,044,527	\$ 14,439,082	\$ 12,760,133	\$ 12,327,713
City's Net Pension Liability	\$ 17,403,744	\$ 10,496,477	\$ 8,629,273	\$ 11,629,049	\$ 9,124,140	\$ 9,039,886	\$ 8,544,443	\$ 9,363,306	\$ 7,559,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.26%	66.78%	72.03%	59.78%	65.43%	63.96%	62.82%	57.68%	61.99%
Covered Payroll	\$ 2,324,495	\$ 2,161,984	\$ 2,066,955	\$ 2,148,316	\$ 2,043,565	\$ 2,126,776	\$ 2,059,831	\$ 1,892,749	\$ 1,910,410
Employer's Net Pension Liability as a Percentage of Covered Payroll	748.71%	485.50%	417.49%	541.31%	446.48%	425.05%	414.81%	494.69%	395.71%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	2023	2022	2021	2020	2019	2018	2017	2016	2015
	-1.36%	-5.31%	31.92%	-0.16%	6.90%	6.40%	8.31%	-1.01%	6.62%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF EMPLOYER CONTRIBUTION
LAST TEN FISCAL YEARS

	<u>4/30/2023</u>	<u>4/30/2022</u>	<u>4/30/2021</u>	<u>4/30/2020</u>	<u>4/30/2019</u>	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>
Actuarially-Determined Contribution	\$ 1,453,064	\$ 1,238,854	\$ 1,055,208	\$ 1,002,709	\$ 920,119	\$ 820,079	\$ 728,579	\$ 630,932	\$ 630,932
Contributions in relation to Actuarially-Determined Contribution	<u>755,705</u>	<u>1,148,839</u>	<u>997,013</u>	<u>985,385</u>	<u>794,856</u>	<u>1,125,669</u>	<u>877,282</u>	<u>715,486</u>	<u>671,436</u>
Contribution deficiency/(excess)	<u>\$ 697,359</u>	<u>\$ 90,015</u>	<u>\$ 58,195</u>	<u>\$ 17,324</u>	<u>\$ 125,263</u>	<u>\$ (305,590)</u>	<u>\$ (148,703)</u>	<u>\$ (84,554)</u>	<u>\$ (40,504)</u>
Covered Payroll	\$ 2,324,495	\$ 2,161,984	\$ 2,066,955	\$ 2,148,316	\$ 2,040,399	\$ 2,126,776	\$ 2,059,831	\$ 1,892,749	\$ 1,910,410
Contributions as a percentage of Covered Payroll	32.51%	53.14%	48.24%	45.87%	38.96%	52.93%	42.59%	37.80%	35.15%

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See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S TOTAL OPEB
LIABILITY AND RELATED RATIOS
APRIL 30, 2023

	4/30/2023	4/30/2022	4/30/2021	4/30/2020	4/30/2019	4/30/2018
TOTAL OPEB LIABILITY						
Service Cost	\$ 30,955	\$ 48,218	\$ 45,432	\$ 36,982	\$ 48,981	\$ 47,111
Interest	54,378	40,382	45,319	61,173	73,300	72,931
Differences Between Expected and Actual Experience	-	84,454	-	(268,110)	-	-
Changes of Assumptions	(53,533)	(112,323)	40,537	167,533	21,909	-
Benefit Payments	(164,601)	(126,651)	(118,645)	(100,257)	(116,622)	(104,725)
Net Change in Total OPEB Liability	\$ (132,801)	\$ (65,920)	\$ 12,643	\$ (102,679)	\$ 27,568	\$ 15,317
Total OPEB Liability - Beginning	1,776,334	1,842,254	1,829,611	1,932,290	1,904,722	1,889,405
Total OPEB Liability - Ending	<u>\$ 1,643,533</u>	<u>\$ 1,776,334</u>	<u>\$ 1,842,254</u>	<u>\$ 1,829,611</u>	<u>\$ 1,932,290</u>	<u>\$ 1,904,722</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 3,904,543	\$ 3,218,835	\$ 3,502,976	\$ 3,547,276	\$ 3,233,572	\$ 2,680,815
Employer's Net OPEB Liability as a Percentage of Covered Payroll	42.09%	55.19%	52.59%	51.58%	59.76%	71.05%

Notes to Schedule:

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

There is no actuarially-determined contribution (ADC) or employer contribution in relation to the ADC as the total OPEB liabilities are currently an unfunded obligation.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period.

The following are the discount rates used in each period: 3.53% 3.21% 2.27% 2.56% 3.79% 3.97%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2023

NOTE I - BUDGET

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted for all funds. All annual budgets lapse at fiscal year-end.

The City Administrator is the designated budget officer and is responsible to prepare an annual budget and present it to the City Council for review and passage. The annual budget is prepared by fund, with line-item detail, and includes information on the prior year, current year estimates, and each department's requested budget for the next fiscal year.

The budget process begins in early January with each department preparing its budget requests and submitting them to the City Administrator. The City Administrator then meets with each department to review the department's proposed budget with available funding sources. By late February, the proposed budget is compiled and distributed to the City Council. During March, several budget meetings are held at which the City Council completes an in-depth review of the proposed budget and provides recommended changes. During April, the proposed budget receives tentative approval from the City Council, a public hearing is held, and then the budget is adopted by the City Council in ordinance form. The budget, which by state law also serves as the appropriation ordinance, serves as the legal budget of the City and must be adopted by the City Council prior to May 1. The budget was approved on April 25, 2022.

The City Administrator is authorized to transfer budget amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level. The budget was not amended during the year ended April 30, 2023.

NOTE II - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2023, none of the City's funds presented as Required Supplementary Information had expenditures that exceeded the budget.

SUPPLEMENTAL FINANCIAL INFORMATION

INDIVIDUAL FUND DESCRIPTIONS OF NONMAJOR FUNDS

Tourism

Established to account for hotel tax revenues collected by the City and used to pay for expenditures within the Tourism District. In accordance with the ordinance establishing the district, expenditures include reimbursement grants paid to members advertising and promotion, beautification and maintenance costs and reimbursement to the City for police services.

DEA Seizure

Established to account for Federally seized funds earned by the City that are legally restricted to the purchase of law enforcement items.

Solid Waste Disposal

Established to account for user fees collected by the City on behalf of the Agency and costs of waste disposal services.

Special Service Area #1

Established to account for Prospect Heights Sanitary District funds for the purpose of maintaining the sanitary sewer system within the SSA#1.

Special Service Area #2

Established to account for Wolf Mandel sanitary district funds for the purpose of maintaining the sanitary sewer system within the SSA#2.

Special Service Area #3

Established to account for Country Gardens Sanitary District funds for the purpose of maintaining the sanitary sewer system within the SSA#3.

Special Service Area #4

Established to account for Pinecrest Sanitary District funds for the purpose of maintaining the sanitary sewer system within the SSA#4.

Special Service Area #5

Established to account Palatine/Willow storm water-used projects for the purpose of storm water management.

Special Service Area #6 Debt

Established to account for the accumulation of monies for payment of principal and interest on bonded debt incurred for road improvements.

Special Service Area #8

Established to account for the acquisition of necessary land rights, and the construction, maintenance and operation of Levee 37, and related flood control measures.

Palatine Road TIF

Established to account for the incremental property tax revenue that is generated through the growth of the assessed valuations at the redeveloped are along Palatine Road.

Road Construction Debt Fund

Established to account for the accumulation of monies for payment of principal and interest on bonded debt incurred for road improvements.

CITY OF PROSPECT HEIGHTS, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 APRIL 30, 2023

	Tourism Fund	DEA Seizure Fund	SWANCC Fund	Special Service Area #1 Fund	Special Service Area #2 Fund	Special Service Area #3 Fund
ASSETS						
Cash and Investments	\$ 512,595	\$ 456,703	\$ 138,224	\$ 11,376	\$ 51,905	\$ 339,343
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Property Taxes	-	-	-	-	-	-
Accounts Receivable	67,574	-	77,752	-	-	-
Prepaid Items	-	-	31,104	-	-	-
Due from Other Funds	107,954	48,863	116,387	-	-	-
TOTAL ASSETS	\$ 688,123	\$ 505,566	\$ 363,467	\$ 11,376	\$ 51,905	\$ 339,343
LIABILITIES						
Accounts Payable	\$ 60,264	\$ 1,434	\$ -	\$ 13,345	\$ 22,217	\$ 12,283
Accrued Payroll	-	592	-	-	-	-
Due to Other Funds	55,992	16,167	281,721	106,081	-	-
TOTAL LIABILITIES	\$ 116,256	\$ 18,193	\$ 281,721	\$ 119,426	\$ 22,217	\$ 12,283
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES						
Nonspendable	\$ -	\$ -	\$ 31,104	\$ -	\$ -	\$ -
Restricted for:						
Tourism	571,867	-	-	-	-	-
Public Safety	-	487,373	-	-	-	-
Special Service Area Improvements	-	-	-	-	29,688	327,060
Debt Service	-	-	-	-	-	-
Committed for:						
Solid Waste Disposal	-	-	108,269	-	-	-
Unassigned	-	-	(57,627)	(108,050)	-	-
TOTAL FUND BALANCES	\$ 571,867	\$ 487,373	\$ 81,746	\$ (108,050)	\$ 29,688	\$ 327,060
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 688,123	\$ 505,566	\$ 363,467	\$ 11,376	\$ 51,905	\$ 339,343

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 APRIL 30, 2023

	Special Service Area #4 Fund	Special Service Area #5 Fund	Special Service Area #6 Debt Fund	Special Service Area #8 Fund	Road Construction Debt Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and Investments	\$ 44,593	\$ 155,824	\$ 216,152	\$ 804,637	\$ 839,454	\$ 3,570,806
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Property Taxes	-	18,588	108,920	99,186	694,543	921,237
Accounts Receivable	-	-	-	-	-	145,326
Prepaid Items	-	447	-	447	-	31,998
Due from Other Funds	-	-	-	-	7,200	280,404
TOTAL ASSETS	\$ 44,593	\$ 174,859	\$ 325,072	\$ 904,270	\$ 1,541,197	\$ 4,949,771
LIABILITIES						
Accounts Payable	\$ 15,040	\$ 131	\$ -	\$ 5,144	\$ -	\$ 129,858
Accrued Payroll	-	-	-	-	-	592
Due to Other Funds	-	134	-	-	-	460,095
TOTAL LIABILITIES	\$ 15,040	\$ 265	\$ -	\$ 5,144	\$ -	\$ 590,545
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	\$ -	\$ 18,588	\$ 108,920	\$ 99,186	\$ 694,543	\$ 921,237
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ 18,588	\$ 108,920	\$ 99,186	\$ 694,543	\$ 921,237
FUND BALANCES						
Nonspendable	\$ -	\$ 447	\$ -	\$ 447	\$ -	\$ 31,998
Restricted for:						
Tourism	-	-	-	-	-	571,867
Public Safety	-	-	-	-	-	487,373
Special Service Area Improvements	29,553	155,559	-	799,493	-	1,341,353
Debt Service	-	-	216,152	-	846,654	1,062,806
Committed for:						
Solid Waste Disposal	-	-	-	-	-	108,269
Unassigned	-	-	-	-	-	(165,677)
TOTAL FUND BALANCES	\$ 29,553	\$ 156,006	\$ 216,152	\$ 799,940	\$ 846,654	\$ 3,437,989
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 44,593	\$ 174,859	\$ 325,072	\$ 904,270	\$ 1,541,197	\$ 4,949,771

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CITY OF PROSPECT HEIGHTS, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2023

	Tourism Fund	DEA Seizure Fund	SWANCC Fund	Special Service Area #1 Fund	Special Service Area #2 Fund	Special Service Area #3 Fund
REVENUES						
Local Taxes	\$ 620,280	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	154,743	-	-	-	-
Charges for Services	-	-	465,207	-	-	-
Investment Income	413	526	-	9	40	388
Miscellaneous Income	7,484	-	-	-	-	-
Total Revenues	\$ 628,177	\$ 155,269	\$ 465,207	\$ 9	\$ 40	\$ 388
EXPENDITURES						
Current						
General Government	\$ 195,036	\$ -	\$ 466,346	\$ -	\$ -	\$ -
Public Safety	-	53,448	-	-	-	-
Public Works	-	-	-	-	-	-
Capital Outlay	-	79,051	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	\$ 195,036	\$ 132,499	\$ 466,346	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 433,141	\$ 22,770	\$ (1,139)	\$ 9	\$ 40	\$ 388
OTHER FINANCING SOURCES/(USES)						
Transfers Out	(102,600)	-	(75,000)	-	-	-
NET CHANGE IN FUND BALANCES	\$ 330,541	\$ 22,770	\$ (76,139)	\$ 9	\$ 40	\$ 388
FUND BALANCES - MAY 1, 2022	241,326	464,603	157,885	(108,059)	29,648	326,672
FUND BALANCES - APRIL 30, 2023	\$ 571,867	\$ 487,373	\$ 81,746	\$ (108,050)	\$ 29,688	\$ 327,060

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED APRIL 30, 2023

	Special Service Area #4 Fund	Special Service Area #5 Fund	Special Service Area #6 Debt Fund	Special Service Area #8 Fund	Palatine Road TIF Fund	Road Construction Debt Fund	Total Nonmajor Governmental Funds
REVENUES							
Local Taxes	\$ -	\$ 26,913	\$ 224,047	\$ 128,188	\$ 64,333	\$ 1,264,836	\$ 2,328,597
Intergovernmental	-	-	-	-	-	-	154,743
Charges for Services	-	-	-	-	-	-	465,207
Investment Income	35	158	210	1,095	1,333	1,087	5,294
Miscellaneous Income	-	560	-	-	-	-	8,044
Total Revenues	\$ 35	\$ 27,631	\$ 224,257	\$ 129,283	\$ 65,666	\$ 1,265,923	\$ 2,961,885
EXPENDITURES							
Current							
General Government	\$ -	\$ -	\$ 605	\$ -	\$ 917,240	\$ 605	\$ 1,579,832
Public Safety	-	-	-	-	-	-	53,448
Public Works	-	23,043	-	11,665	-	-	34,708
Capital Outlay	-	-	-	1,259	-	-	80,310
Debt Service							
Principal	-	-	175,000	-	-	1,030,000	1,205,000
Interest	-	-	43,895	-	-	224,483	268,378
Total Expenditures	\$ -	\$ 23,043	\$ 219,500	\$ 12,924	\$ 917,240	\$ 1,255,088	\$ 3,221,676
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 35	\$ 4,588	\$ 4,757	\$ 116,359	\$ (851,574)	\$ 10,835	\$ (259,791)
OTHER FINANCING SOURCES/(USES)							
Transfers Out	-	-	-	-	-	-	(177,600)
NET CHANGE IN FUND BALANCES	\$ 35	\$ 4,588	\$ 4,757	\$ 116,359	\$ (851,574)	\$ 10,835	\$ (437,391)
FUND BALANCES - MAY 1, 2022	29,518	151,418	211,395	683,581	851,574	835,819	3,875,380
FUND BALANCES - APRIL 30, 2023	\$ 29,553	\$ 156,006	\$ 216,152	\$ 799,940	\$ -	\$ 846,654	\$ 3,437,989

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND - CAPITAL PROJECTS
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Grants	\$ 1,080,988	\$ 1,686,588	\$ 605,600
Total Revenues	<u>\$ 1,080,988</u>	<u>\$ 1,686,588</u>	<u>\$ 605,600</u>
EXPENDITURES			
Capital Outlay	\$ 2,400,105	\$ 4,827,537	\$ 2,427,432
Total Expenditures	<u>\$ 2,400,105</u>	<u>\$ 4,827,537</u>	<u>\$ 2,427,432</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,319,117)	\$ (3,140,949)	\$ (1,821,832)
OTHER FINANCING SOURCES (USES)			
Transfers	<u>75,000</u>	<u>1,275,000</u>	<u>1,200,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,244,117)</u>	\$ (1,865,949)	<u>\$ (621,832)</u>
FUND BALANCE - MAY 1, 2022		<u>6,918,157</u>	
FUND BALANCE - APRIL 30, 2023		<u>\$ 5,052,208</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - TOURISM DISTRICT
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Hotel	\$ 375,000	\$ 620,280	\$ 245,280
Investment Income	-	413	413
Miscellaneous Income	-	7,484	7,484
Total Revenues	<u>\$ 375,000</u>	<u>\$ 628,177</u>	<u>\$ 253,177</u>
EXPENDITURES			
General Government			
Administration			
Professional Services	\$ 44,300	\$ 42,787	\$ (1,513)
Professional Development	38,200	38,192	(8)
Service Charges and Fees	60,000	60,705	705
Other Expenditures	102,600	53,352	(49,248)
Total General Government	<u>\$ 245,100</u>	<u>\$ 195,036</u>	<u>\$ (50,064)</u>
Total Expenditures	<u>\$ 245,100</u>	<u>\$ 195,036</u>	<u>\$ (50,064)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 129,900	\$ 433,141	\$ 303,241
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(102,600)</u>	<u>(102,600)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 27,300</u>	\$ 330,541	<u>\$ 303,241</u>
FUND BALANCE - MAY 1, 2022		<u>241,326</u>	
FUND BALANCE - APRIL 30, 2023		<u>\$ 571,867</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SWANCC
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Charges for Services	\$ 475,000	\$ 465,207	\$ (9,793)
Total Revenues	\$ 475,000	\$ 465,207	\$ (9,793)
EXPENDITURES			
General Government			
Administration			
Service Charges and Fees	\$ 463,000	\$ 466,346	\$ 3,346
Total General Government	\$ 463,000	\$ 466,346	\$ 3,346
Total Expenditures	\$ 463,000	\$ 466,346	\$ 3,346
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 12,000	\$ (1,139)	\$ (13,139)
OTHER FINANCING SOURCES (USES)			
Transfers	(75,000)	(75,000)	-
NET CHANGE IN FUND BALANCE	\$ (63,000)	\$ (76,139)	\$ (13,139)
FUND BALANCE - MAY 1, 2022		157,885	
FUND BALANCE - APRIL 30, 2023		\$ 81,746	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #1
 FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 9	\$ 9
Total Revenues	\$ -	\$ 9	\$ 9
EXPENDITURES			
Total Expenditures	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 9	\$ 9
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 9	\$ 9
FUND BALANCE - MAY 1, 2022		(108,059)	
FUND BALANCE - APRIL 30, 2023		\$ (108,050)	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #2
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Income	\$ -	\$ 40	\$ 40
Total Revenues	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 40</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 10,000	\$ -	\$ (10,000)
Total Public Works	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>
Total Expenditures	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (10,000)	\$ 40	\$ 10,040
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,000)</u>	\$ 40	<u>\$ 10,040</u>
FUND BALANCE - MAY 1, 2022		<u>29,648</u>	
FUND BALANCE - APRIL 30, 2023		<u>\$ 29,688</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #3
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 388	\$ 388
Total Revenues	<u>\$ -</u>	<u>\$ 388</u>	<u>\$ 388</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 10,000	\$ -	\$ (10,000)
Total Public Works	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>
Total Expenditures	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (10,000)	\$ 388	\$ 10,388
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (10,000)</u></u>	\$ 388	<u><u>\$ 10,388</u></u>
FUND BALANCE - MAY 1, 2022		<u>326,672</u>	
FUND BALANCE - APRIL 30, 2023		<u><u>\$ 327,060</u></u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #4
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Investment Income	\$ -	\$ 35	\$ 35
Total Revenues	\$ -	\$ 35	\$ 35
EXPENDITURES			
Public Works			
Professional Services	\$ 10,000	\$ -	\$ (10,000)
Total Public Works	\$ 10,000	\$ -	\$ (10,000)
Total Expenditures	\$ 10,000	\$ -	\$ (10,000)
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (10,000)	\$ 35	\$ 10,035
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (10,000)	\$ 35	\$ 10,035
FUND BALANCE - MAY 1, 2022		29,518	
FUND BALANCE - APRIL 30, 2023		\$ 29,553	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #5
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 28,500	\$ 26,913	\$ (1,587)
Investment Income	-	158	158
Miscellaneous Income	-	560	560
Total Revenues	\$ 28,500	\$ 27,631	\$ (869)
EXPENDITURES			
Public Works			
Maintenance Services	\$ 8,000	\$ 16,816	\$ 8,816
Professional Services	5,000	1,895	(3,105)
Other Contractual Services	4,675	4,332	(343)
Total Public Works	\$ 17,675	\$ 23,043	\$ 5,368
Total Expenditures	\$ 17,675	\$ 23,043	\$ 5,368
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 10,825	\$ 4,588	\$ (6,237)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 10,825	\$ 4,588	\$ (6,237)
FUND BALANCE - MAY 1, 2022		151,418	
FUND BALANCE - APRIL 30, 2023		\$ 156,006	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND - SPECIAL SERVICE AREA #6 DEBT
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 218,895	\$ 224,047	\$ 5,152
Investment Income	-	210	210
Total Revenues	<u>\$ 218,895</u>	<u>\$ 224,257</u>	<u>\$ 5,362</u>
EXPENDITURES			
General Government			
Service Charges and Fees	\$ -	\$ 605	\$ 605
Total General Government	<u>\$ -</u>	<u>\$ 605</u>	<u>\$ 605</u>
Debt Service			
Principal	\$ 175,000	\$ 175,000	\$ -
Interest	43,895	43,895	-
Total Debt Service	<u>\$ 218,895</u>	<u>\$ 218,895</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 218,895</u>	<u>\$ 219,500</u>	<u>\$ 605</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 4,757	\$ 4,757
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	\$ 4,757	<u>\$ 4,757</u>
FUND BALANCE - MAY 1, 2022		<u>211,395</u>	
FUND BALANCE - APRIL 30, 2023		<u>\$ 216,152</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND - SPECIAL SERVICE AREA #8
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 145,300	\$ 128,188	\$ (17,112)
Investment Income	-	1,095	1,095
Total Revenues	<u>\$ 145,300</u>	<u>\$ 129,283</u>	<u>\$ (16,017)</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 12,000	\$ 7,206	\$ (4,794)
Other Contractual Services	4,675	4,332	(343)
Operating Supplies	1,000	127	(873)
Total Public Works	<u>\$ 17,675</u>	<u>\$ 11,665</u>	<u>\$ (6,010)</u>
Capital Outlay	<u>\$ 5,000</u>	<u>\$ 1,259</u>	<u>\$ (3,741)</u>
Total Expenditures	<u>\$ 22,675</u>	<u>\$ 12,924</u>	<u>\$ (9,751)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 122,625	\$ 116,359	\$ (6,266)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 122,625</u>	\$ 116,359	<u>\$ (6,266)</u>
FUND BALANCE - MAY 1, 2022		<u>683,581</u>	
FUND BALANCE - APRIL 30, 2023		<u>\$ 799,940</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
MAJOR ENTERPRISE FUND - SEWER
FOR THE YEAR ENDED APRIL 30, 2023

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original and Final</u>	<u> </u>	<u> </u>
OPERATING REVENUES			
Charges for Services	\$ 805,000	\$ 818,828	\$ 13,828
Total Operating Revenues	<u>\$ 805,000</u>	<u>\$ 818,828</u>	<u>\$ 13,828</u>
OPERATING EXPENSES			
Operations and Maintenance			
Salaries	\$ 63,705	\$ 61,915	\$ (1,790)
Insurance Benefits	21,100	28,138	7,038
Pension Benefits	15,200	(2,806)	(18,006)
Maintenance Services	50,000	37,140	(12,860)
Professional Services	137,000	117,889	(19,111)
Communications	7,500	8,164	664
Professional Development	2,000	-	(2,000)
Other Contractual Services	60,250	55,896	(4,354)
Other - System Improvements	439,200	18,542	(420,658)
Total Operations and Maintenance	<u>\$ 795,955</u>	<u>\$ 324,878</u>	<u>\$ (471,077)</u>
Total Operating Expenses	<u>\$ 795,955</u>	<u>\$ 324,878</u>	<u>\$ (471,077)</u>
Operating Income	\$ 9,045	\$ 493,950	\$ 484,905
NON-OPERATING REVENUE/(EXPENSE)			
Investment Income	<u>1,300</u>	<u>7,973</u>	<u>6,673</u>
INCOME/(LOSS) BEFORE TRANSFERS	\$ 10,345	\$ 501,923	\$ 491,578
TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ 10,345</u>	\$ 501,923	<u>\$ 491,578</u>
NET POSITION - MAY 1, 2022		<u>3,057,323</u>	
NET POSITION - APRIL 30, 2023		<u>\$ 3,559,246</u>	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL
FIDUCIARY FUND - POLICE PENSION TRUST FUND
FOR THE YEAR ENDED APRIL 30, 2023

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
ADDITIONS			
Contributions			
Employer	\$ 900,000	\$ 755,705	\$ (144,295)
Plan Members	212,000	237,052	25,052
Total Contributions	\$ 1,112,000	\$ 992,757	\$ (119,243)
Investment Income			
Interest and Dividends	\$ 100,000	\$ 197,817	\$ 97,817
Net Appreciation in Fair Value of Investments	250,000	46,272	(203,728)
Total Investment Income	\$ 350,000	\$ 244,089	\$ (105,911)
Less Investment Expense	25,000	29,280	4,280
Net Investment Income	\$ 325,000	\$ 214,809	\$ (110,191)
Total Additions	\$ 1,437,000	\$ 1,207,566	\$ (229,434)
DEDUCTIONS			
Professional Fees	\$ 50,000	\$ 40,473	\$ (9,527)
Disability Benefits	121,000	131,779	10,779
Employee Benefits	1,170,000	1,349,135	179,135
Refunds/Transfer of Contributions	-	137,571	137,571
Total Deductions	\$ 1,341,000	\$ 1,658,958	\$ 317,958
 CHANGE IN NET POSITION	 \$ 96,000	 \$ (451,392)	 \$ (547,392)
 NET POSITION - MAY 1, 2022		 21,100,140	
 NET POSITION - APRIL 30, 2023		 \$ 20,648,748	

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2008
 APRIL 30, 2023

Date of Contract: March 25, 2008
 Date of Maturity: December 15, 2023
 Amount of Contract: \$2,045,000
 Interest Rates: 4.327%
 Interest Dates: June 15 and December 15
 Payable to: Bank of America, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 180,000	\$ 7,789	\$ 187,789
TOTAL	<u>\$ 180,000</u>	<u>\$ 7,789</u>	<u>\$ 187,789</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2010
 APRIL 30, 2023

Date of Contract: July 1, 2010
 Date of Maturity: December 15, 2024
 Amount of Contract: \$800,000
 Interest Rates: 4.00% to 5.20%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal year	Principal	Interest	Total
2024	\$ 70,000	\$ 7,400	\$ 77,400
2025	75,000	3,900	78,900
TOTAL	\$ 145,000	\$ 11,300	\$ 156,300

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2013
 APRIL 30, 2023

Date of Contract: April 16, 2013
 Date of Maturity: December 15, 2026
 Amount of Contract: \$5,000,000
 Interest Rates: 2.0% to 2.35%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 410,000	\$ 36,732	\$ 446,732
2025	420,000	28,532	448,532
2026	430,000	20,134	450,134
2027	445,000	10,455	455,455
TOTAL	<u>\$ 1,705,000</u>	<u>\$ 95,853</u>	<u>\$ 1,800,853</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 SPECIAL SERVICE AREA #6 REFUNDING BONDS SERIES 2018
 APRIL 30, 2023

Date of Contract: September 27, 2018
 Date of Maturity: December 15, 2028
 Amount of Contract: \$1,820,000
 Interest Rates: 2.0% - 3.5%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal year	Principal	Interest	Total
2024	\$ 180,000	\$ 38,733	\$ 218,733
2025	185,000	33,243	218,243
2026	190,000	27,322	217,322
2027	195,000	21,052	216,052
2028	205,000	14,423	219,423
2029	210,000	7,350	217,350
TOTAL	<u>\$ 1,165,000</u>	<u>\$ 142,123</u>	<u>\$ 1,307,123</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2020
 APRIL 30, 2023

Date of Contract: December 17, 2020
 Date of Maturity: December 15, 2026
 Amount of Contract: \$4,195,000
 Interest Rates: 5.0%
 Interest Dates: June 15 and December 15
 Payable to: U.S. Bank, N.A.

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 675,000	\$ 148,250	\$ 823,250
2025	720,000	114,500	834,500
2026	760,000	78,500	838,500
2027	810,000	40,500	850,500
TOTAL	<u>\$ 2,965,000</u>	<u>\$ 381,750</u>	<u>\$ 3,346,750</u>

STATISTICAL SECTION

City of Prospect Heights

SCHEDULE OF NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 26,229,394	\$ 21,528,171	\$ 20,446,392	\$ 20,113,377	\$ 19,930,723	\$ 18,303,531	\$ 18,110,058	\$ 17,523,954	\$ 16,150,710	\$ 14,535,816
Restricted	8,889,717	9,264,424	6,906,338	7,501,994	5,851,418	4,578,961	3,039,842	2,391,930	3,764,297	4,916,572
Unrestricted	<u>56,004,679</u>	<u>54,533,929</u>	<u>50,848,934</u>	<u>46,924,167</u>	<u>47,827,839</u>	<u>49,295,498</u>	<u>49,316,897</u>	<u>48,059,501</u>	<u>54,085,418</u>	<u>6,085,044</u>
Total governmental activities net position	<u>\$ 91,123,790</u>	<u>\$ 85,326,524</u>	<u>\$ 78,201,664</u>	<u>\$ 74,539,538</u>	<u>\$ 73,609,980</u>	<u>\$ 72,177,990</u>	<u>\$ 70,466,797</u>	<u>\$ 67,975,385</u>	<u>\$ 74,000,425</u>	<u>\$ 25,537,432</u>
Business-type activities										
Net investment in capital assets	\$ 3,851,496	\$ 3,881,299	\$ 3,732,602	\$ 3,594,501	\$ 3,483,275	\$ 3,480,418	\$ 3,567,935	\$ 3,668,729	\$ 3,716,285	\$ 3,816,254
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>5,757,654</u>	<u>4,933,289</u>	<u>4,232,274</u>	<u>3,651,849</u>	<u>2,908,562</u>	<u>2,182,272</u>	<u>1,661,730</u>	<u>1,591,601</u>	<u>1,382,414</u>	<u>47,901,097</u>
Total business-type activities net position	<u>\$ 9,609,150</u>	<u>\$ 8,814,588</u>	<u>\$ 7,964,876</u>	<u>\$ 7,246,350</u>	<u>\$ 6,391,837</u>	<u>\$ 5,662,690</u>	<u>\$ 5,229,665</u>	<u>\$ 5,260,330</u>	<u>\$ 5,098,699</u>	<u>\$ 51,717,351</u>
Total City										
Net investment in capital assets	\$ 30,080,890	\$ 25,409,470	\$ 24,178,994	\$ 23,707,878	\$ 23,413,998	\$ 21,783,949	\$ 21,677,993	\$ 21,192,683	\$ 19,866,995	\$ 18,352,070
Restricted	8,889,717	9,264,424	6,906,338	7,501,994	5,851,418	4,578,961	3,039,842	2,391,930	3,764,297	4,916,572
Unrestricted	<u>61,762,333</u>	<u>59,467,218</u>	<u>55,081,208</u>	<u>50,576,016</u>	<u>50,736,401</u>	<u>51,477,770</u>	<u>50,978,627</u>	<u>49,651,102</u>	<u>55,467,832</u>	<u>53,986,141</u>
Total City net position	<u>\$ 100,732,940</u>	<u>\$ 94,141,112</u>	<u>\$ 86,166,540</u>	<u>\$ 81,785,888</u>	<u>\$ 80,001,817</u>	<u>\$ 77,840,680</u>	<u>\$ 75,696,462</u>	<u>\$ 73,235,715</u>	<u>\$ 79,099,124</u>	<u>\$ 77,254,783</u>

Notes: In FY2014-15 the City's net position for Governmental Activities and Business-Type activities has been restated to correct an error. The City had previously reported its investment in joint venture (Chicago Executive Airport) as a separate proprietary fund instead of an asset in governmental activities.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
General Government	\$ 3,581,222	\$ 1,722,870	\$ 2,390,858	\$ 3,922,988	\$ 3,513,914	\$ 3,433,291	\$ 2,861,594	\$ 3,378,267	\$ 3,308,818	\$ 3,015,194
Public Safety	6,585,444	5,137,184	4,722,778	5,480,494	5,164,772	5,627,109	5,317,950	4,903,945	4,638,103	4,353,155
Public Works	2,638,267	2,858,351	2,311,977	2,826,123	2,175,072	2,162,147	1,979,107	2,359,857	2,464,382	2,206,406
Interest on long-term debt	139,737	208,293	803,545	330,386	421,297	546,271	527,668	663,219	796,754	1,097,241
Joint Venture Airport	-	-	90,908	315,175	870,117	549,037	65,299	661,580	360,206	-
Total governmental activities expenses	<u>\$ 12,944,670</u>	<u>\$ 9,926,698</u>	<u>\$ 10,320,066</u>	<u>\$ 12,875,166</u>	<u>\$ 12,145,172</u>	<u>\$ 12,317,855</u>	<u>\$ 10,751,618</u>	<u>\$ 11,966,868</u>	<u>\$ 11,568,263</u>	<u>\$ 10,671,996</u>
BUSINESS-TYPE ACTIVITIES										
Water	\$ 714,100	\$ 643,873	\$ 733,565	\$ 741,474	\$ 690,868	\$ 644,927	\$ 619,237	\$ 589,212	\$ 592,541	\$ 634,627
Sewer	324,878	272,171	224,098	151,328	286,057	95,557	81,023	39,291	-	-
Airport	-	-	-	-	-	-	-	-	-	365,947
Parking	108,914	107,769	114,995	105,580	116,628	78,037	54,868	70,471	67,552	83,334
Total business-type activities expenses	<u>\$ 1,147,892</u>	<u>\$ 1,023,813</u>	<u>\$ 1,072,658</u>	<u>\$ 998,382</u>	<u>\$ 1,093,553</u>	<u>\$ 818,521</u>	<u>\$ 755,128</u>	<u>\$ 698,974</u>	<u>\$ 660,093</u>	<u>\$ 1,083,908</u>
Total City expense	<u>\$ 14,092,562</u>	<u>\$ 10,950,511</u>	<u>\$ 11,392,724</u>	<u>\$ 13,873,548</u>	<u>\$ 13,238,725</u>	<u>\$ 13,136,376</u>	<u>\$ 11,506,746</u>	<u>\$ 12,665,842</u>	<u>\$ 12,228,356</u>	<u>\$ 11,755,904</u>
PROGRAM REVENUES										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES:										
General Government	\$ 2,198,011	\$ 1,904,747	\$ 2,202,438	\$ 2,026,338	\$ 1,564,725	\$ 2,290,522	\$ 2,420,438	\$ 2,182,833	\$ 2,364,357	\$ 2,126,829
Public Safety	573,302	587,933	280,142	495,501	1,008,724	836,534	855,480	803,173	886,793	505,526
Public Works	465,207	466,587	470,159	503,905	467,470	-	-	-	-	-
Operating grants and contributions	2,134,213	1,900,327	544,897	467,715	1,264,463	1,088,026	683,539	981,268	1,087,223	800,285
Capital grants and contributions	-	160,000	-	-	-	-	-	-	325,000	-
Total governmental activities program revenues	<u>\$ 5,370,733</u>	<u>\$ 5,019,594</u>	<u>\$ 3,497,636</u>	<u>\$ 3,493,459</u>	<u>\$ 4,305,382</u>	<u>\$ 4,215,082</u>	<u>\$ 3,959,457</u>	<u>\$ 3,967,274</u>	<u>\$ 4,663,373</u>	<u>\$ 3,432,640</u>
BUSINESS-TYPE ACTIVITIES										
Charges for Services - Water	\$ 918,518	\$ 925,498	\$ 911,409	\$ 884,266	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663
Charges for Services - Parking	12,274	5,279	107	56,347	63,013	65,835	88,231	69,066	65,749	55,588
Charges for Services - Sewer	818,828	834,659	820,122	810,119	800,312	256,813	316,027	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	288,502
Total business-type activities program revenues	<u>\$ 1,749,620</u>	<u>\$ 1,765,436</u>	<u>\$ 1,731,638</u>	<u>\$ 1,750,732</u>	<u>\$ 1,698,092</u>	<u>\$ 1,145,387</u>	<u>\$ 1,197,053</u>	<u>\$ 839,893</u>	<u>\$ 846,037</u>	<u>\$ 1,139,753</u>
Total City program revenues	<u>\$ 7,120,353</u>	<u>\$ 6,785,030</u>	<u>\$ 5,229,274</u>	<u>\$ 5,244,191</u>	<u>\$ 6,003,474</u>	<u>\$ 5,360,469</u>	<u>\$ 5,156,510</u>	<u>\$ 4,807,167</u>	<u>\$ 5,509,410</u>	<u>\$ 4,572,393</u>
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (7,573,937)	\$ (4,907,104)	\$ (6,822,430)	\$ (9,381,707)	\$ (7,463,436)	\$ (6,471,237)	\$ (7,345,831)	\$ (7,240,783)	\$ (6,008,623)	\$ (6,584,936)
Business-type activities	601,728	741,623	658,980	752,350	879,571	390,259	498,079	179,800	(237,871)	428,457
Total government net expense	<u>\$ (6,972,209)</u>	<u>\$ (4,165,481)</u>	<u>\$ (6,163,450)</u>	<u>\$ (8,629,357)</u>	<u>\$ (6,583,865)</u>	<u>\$ (6,080,978)</u>	<u>\$ (6,847,752)</u>	<u>\$ (7,060,983)</u>	<u>\$ (6,246,494)</u>	<u>\$ (6,156,479)</u>

(continued)

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
GOVERNMENTAL ACTIVITIES:										
Taxes										
Property Taxes	\$ 2,144,995	\$ 2,184,366	\$ 2,803,898	\$ 3,094,831	\$ 3,103,154	\$ 3,863,343	\$ 2,606,246	\$ 2,840,100	\$ 3,160,113	\$ 2,853,719
Local Sales and local use	1,252,827	1,161,856	1,067,586	857,827	800,765	665,197	693,918	377,196	445,284	568,819
Utility	836,229	810,890	734,867	741,096	819,355	873,443	911,263	918,980	1,059,104	1,135,095
Hotel occupancy tax	620,280	433,315	171,901	675,388	791,836	827,607	849,495	811,689	776,817	757,813
Places for eating tax	391,203	367,194	215,459	296,949	318,704	318,595	326,929	306,113	302,612	301,808
Other	904,529	912,807	1,547,282	1,075,509	859,522	835,152	380,978	241,802	177,164	145,210
Intergovernmental										
Income Tax	2,594,627	2,563,987	1,973,191	1,602,005	1,681,769	1,479,199	1,532,543	1,662,974	1,637,723	1,552,422
State Sales Tax	1,738,005	1,685,682	1,275,604	1,348,179	1,405,229	1,121,542	981,646	828,941	924,209	822,982
Other	1,521,344	1,094,560	140,013	26,779	113,182	197,279	189,323	157,582	138,920	527,304
Investment earnings	616,522	18,384	584,016	336,135	62,058	125,859	42,524	27,546	(166,558)	30,600
Joint Venture Airport	955,023	824,780								
Miscellaneous	181,103	79,143	23,383	324,567	36,622	78,241	87,083	127,295	228,725	63,423
Adjustment to land held for resale/Gain on Disposal	-	-	-	-	-	534,500	-	-	577,432	-
Bond Proceeds, Net of Bond Costs	-	-	2,356	-	-	-	-	-	-	-
Transfers	(112,000)	(105,000)	(55,000)	(68,000)	-	470,000	426,000	283,420	218,000	210,202
Total governmental activities	\$ 13,644,687	\$ 12,031,964	\$ 10,484,556	\$ 10,311,265	\$ 9,992,196	\$ 11,389,957	\$ 9,027,948	\$ 8,583,638	\$ 9,479,545	\$ 8,969,397
BUSINESS-TYPE ACTIVITIES										
Investment earnings	\$ 80,820	\$ 3,089	\$ 4,546	\$ 34,163	\$ 36,844	\$ 16,111	\$ 5,076	\$ 4,597	\$ 3,347	\$ 3,293
Transfers	112,000	105,000	55,000	68,000	-	(470,000)	(426,000)	(283,420)	(218,000)	(210,202)
Miscellaneous	14	-	-	-	-	7,343	-	(114)	638	-
Total business-type activities	\$ 192,834	\$ 108,089	\$ 59,546	\$ 102,163	\$ 36,844	\$ (446,546)	\$ (420,924)	\$ (278,937)	\$ (214,015)	\$ (206,909)
Total City	\$ 13,837,521	\$ 12,140,053	\$ 10,544,102	\$ 10,413,428	\$ 10,029,040	\$ 10,943,411	\$ 8,607,024	\$ 8,304,701	\$ 9,265,530	\$ 8,762,488
Business-type activities:										
Capital contributed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Governmental activities	\$ 6,070,750	\$ 7,124,860	\$ 3,662,126	\$ 929,558	\$ 1,431,990	\$ 3,377,484	\$ 2,491,412	\$ 576,227	\$ 1,878,556	\$ 2,960,774
Business-type activities	794,562	849,712	718,526	854,513	729,147	433,025	(30,665)	219,142	(34,215)	(444,780)
Total City	\$ 6,865,312	\$ 7,974,572	\$ 4,380,652	\$ 1,784,071	\$ 2,161,137	\$ 3,810,509	\$ 2,460,747	\$ 795,369	\$ 1,844,341	\$ 2,515,994

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

PROGRAM REVENUES BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FUNCTION/PROGRAM										
Governmental Activities:										
General Government	\$ 4,150,059	\$ 3,661,813	\$ 2,726,133	\$ 2,307,643	\$ 2,326,301	\$ 2,463,713	\$ 2,447,259	\$ 2,547,250	\$ 2,314,047	\$ 2,510,429
Public Safety	740,091	727,101	295,558	681,911	780,603	1,372,795	1,138,978	995,886	1,163,395	1,290,628
Public Works	480,583	630,680	475,945	503,905	478,062	468,874	628,845	416,321	489,832	862,316
Total governmental activities revenue	\$ 5,370,733	\$ 5,019,594	\$ 3,497,636	\$ 3,493,459	\$ 3,584,966	\$ 4,305,382	\$ 4,215,082	\$ 3,959,457	\$ 3,967,274	\$ 4,663,373
BUSINESS-TYPE ACTIVITIES										
Water	\$ 918,518	\$ 925,498	\$ 911,409	\$ 884,267	\$ 904,744	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288
Sewer	818,828	834,659	820,122	810,119	817,775	800,312	256,813	316,027	-	-
Parking	12,274	5,279	107	56,347	63,337	63,013	65,835	88,231	69,066	65,749
Total business-type activities revenue	\$ 1,749,620	\$ 1,765,436	\$ 1,731,638	\$ 1,750,733	\$ 1,785,856	\$ 1,698,092	\$ 1,145,387	\$ 1,197,053	\$ 839,893	\$ 846,037
Total City revenues	\$ 7,120,353	\$ 6,785,030	\$ 5,229,274	\$ 5,244,192	\$ 5,370,822	\$ 6,003,474	\$ 5,360,469	\$ 5,156,510	\$ 4,807,167	\$ 5,509,410

Note: The Statement of Activities provides a breakdown of charges for services, grants, and contributions.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL FUND										
Nonspendable	\$ 713,687	\$ 668,316	\$ 737,831	\$ 2,587,535	\$ 2,785,969	\$ 5,088,947	\$ 5,141,789	\$ 5,193,298	\$ 912,697	\$ 1,006,087
Restricted	61,835	60,646	61,421	62,861	67,411	64,928	38,365	24,113	36,232	36,217
Committed	3,155,000	3,000,000	3,000,000	3,000,000	3,000,000	2,040,716	2,313,752	2,156,168	2,170,017	1,935,777
Assigned	-	-	-	-	-	-	5,820,743	5,820,743	7,390,154	7,276,612
Unassigned	13,912,795	11,742,123	9,573,389	5,996,595	5,190,357	2,427,037	1,981,199	815,340	2,660,707	1,883,135
Total General Fund	\$ 17,843,317	\$ 15,471,085	\$ 13,372,641	\$ 11,646,991	\$ 11,043,737	\$ 9,621,628	\$ 15,295,848	\$ 14,009,662	\$ 13,169,807	\$ 12,137,828
All other governmental funds										
Non-Spendable	\$ 31,998	\$ 30,650	\$ 40,883	\$ -	\$ -	\$ 5,124	\$ 27,667	\$ 42,696	\$ 35,633	\$ 34,229
Restricted	8,827,882	9,203,778	6,844,917	7,439,133	5,784,007	4,514,033	3,187,285	2,574,925	4,225,375	6,465,481
Committed	5,160,477	6,052,029	5,899,063	6,202,088	6,362,045	101,808	604,636	515,063	443,185	381,867
Assigned	-	-	-	-	-	7,650,743	-	-	2,662,210	2,965,409
Unassigned	(165,677)	(108,059)	(181,442)	(1,934,047)	(1,967,338)	(1,775,676)	(2,843,438)	(2,554,328)	(240,924)	(286,499)
Total all other governmental funds	\$ 13,854,680	\$ 15,178,398	\$ 12,603,421	\$ 11,707,174	\$ 10,178,714	\$ 10,496,032	\$ 976,150	\$ 578,356	\$ 7,125,479	\$ 9,560,487
Total	\$ 31,697,997	\$ 30,649,483	\$ 25,976,062	\$ 23,354,165	\$ 21,222,451	\$ 20,117,660	\$ 16,271,998	\$ 14,588,018	\$ 20,295,286	\$ 21,698,315

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes (1)	\$ 6,150,063	\$ 5,870,428	\$ 5,461,469	\$ 6,103,552	\$ 6,280,683	\$ 5,634,372	\$ 5,768,829	\$ 5,495,880	\$ 5,811,094	\$ 5,762,464
Intergovernmental (2)	6,068,967	5,535,154	4,855,514	3,869,442	3,690,604	4,894,938	3,634,801	3,206,224	3,660,906	4,168,859
Licenses	1,080,729	911,292	1,131,253	753,644	1,039,421	980,328	936,288	899,237	932,368	1,063,648
Fines and Forfeits	534,076	546,136	246,353	395,210	661,319	655,993	797,392	784,430	755,188	849,736
Charges for Services	1,621,715	1,501,839	1,575,133	1,876,890	1,646,230	1,404,598	1,388,736	1,586,423	1,291,741	1,353,391
Investment Income	616,522	18,384	584,016	336,135	62,058	660,359	42,524	27,546	(166,558)	30,600
Miscellaneous	2,100,325	1,948,545	181,098	537,851	196,847	994,751	248,460	259,935	366,648	222,968
Total Revenues	\$ 18,172,397	\$ 16,331,778	\$ 14,034,836	\$ 13,872,724	\$ 13,577,162	\$ 15,225,339	\$ 12,817,030	\$ 12,259,675	\$ 12,651,387	\$ 13,451,666
EXPENDITURES										
General Government	\$ 3,617,971	\$ 2,633,454	\$ 2,500,429	\$ 2,867,245	\$ 3,162,049	\$ 2,984,783	\$ 2,595,262	\$ 3,251,307	\$ 2,977,917	\$ 2,891,222
Public Safety	5,036,920	5,160,904	4,962,073	5,086,397	4,845,427	5,097,514	4,865,825	4,653,389	4,424,004	4,164,469
Public Works	1,207,603	1,233,507	1,199,218	1,132,742	894,780	970,223	970,636	1,085,664	1,195,842	905,608
Capital Outlay	4,981,157	868,771	499,433	878,093	1,847,249	546,920	904,469	2,188,781	3,138,652	4,099,039
Debt Service										
Principal	1,375,000	1,325,000	1,400,000	1,350,000	1,290,000	1,755,000	1,670,000	6,320,000	2,225,000	1,201,421
Interest	283,516	331,721	799,142	358,533	432,866	495,237	552,858	751,222	888,433	845,196
Total expenditures	\$ 16,502,167	\$ 11,553,357	\$ 11,360,295	\$ 11,673,010	\$ 12,472,371	\$ 11,849,677	\$ 11,559,050	\$ 18,250,363	\$ 14,849,848	\$ 14,106,955
Excess of revenues over (under) expenditures	\$ 1,670,230	\$ 4,778,421	\$ 2,674,541	\$ 2,199,714	\$ 1,104,791	\$ 3,375,662	\$ 1,257,980	\$ (5,990,688)	\$ (2,198,461)	\$ (655,289)
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	\$ -	\$ -	\$ 4,195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond issuance costs	-	-	(4,192,644)	-	-	-	-	-	-	-
Transfers in	1,377,600	213,322	1,939,683	250,000	605,957	7,650,743	1,521,651	1,405,948	1,674,633	2,140,433
Transfers out	(1,489,600)	(318,322)	(1,994,683)	(318,000)	(605,957)	(7,180,743)	(1,095,651)	(1,122,528)	(1,456,633)	(1,930,231)
Gain/(Loss) on sales of assets held for resale	-	-	-	-	-	-	-	-	577,432	-
Total other financing sources (uses)	\$ (112,000)	\$ (105,000)	\$ (52,644)	\$ (68,000)	\$ -	\$ 470,000	\$ 426,000	\$ 283,420	\$ 795,432	\$ 210,202
Net Change in fund balances	\$ 1,558,230	\$ 4,673,421	\$ 2,621,897	\$ 2,131,714	\$ 1,104,791	\$ 3,845,662	\$ 1,683,980	\$ (5,707,268)	\$ (1,403,029)	\$ (445,087)
Debt service as a percentage of noncapital expenditures	14.4%	15.5%	19.8%	15.3%	16.1%	19.6%	20.9%	43.8%	26.2%	20.2%

(1) Taxes include property, local sales, use, utility, hotel, road and bridge, auto rental, and places for eating tax, Glenview shared revenue Motor Fuel, Grants, Seizure revenue.

(2) Intergovernmental includes state sales tax, income tax, personal property replacement tax, Glenview shared revenue Motor Fuel, Grants, and DEA Seizure revenue.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30 th	Property	Income	Local Use	State Sales	Non-Home Rule Sales	Utility	Telecom	Motor Fuel	Hotel	Places for Eating	Other (1)	Total
2023	\$ 2,144,995	\$ 2,594,627	\$ 654,594	\$ 1,738,005	\$ 598,233	\$ 699,918	\$ 136,311	\$ 836,704	\$ 620,280	\$ 391,203	\$ 1,589,169	\$ 12,004,039
2022	2,184,366	2,563,987	626,005	1,685,682	535,851	668,657	142,233	1,005,152	433,315	367,194	1,002,215	11,214,657
2021	2,803,898	1,973,191	728,665	1,275,604	338,921	568,527	166,340	1,079,524	171,901	215,459	607,771	9,929,801
2020	3,094,831	1,602,005	562,074	1,348,179	295,753	544,180	196,916	638,048	675,388	296,949	464,240	9,718,563
2019	3,103,154	1,681,769	488,057	1,405,229	312,708	572,703	246,652	412,653	791,836	318,704	560,051	9,893,516
2018	3,863,343	1,479,199	357,865	1,121,542	307,332	547,699	325,744	415,065	827,607	318,595	617,366	10,181,357
2017	2,606,246	1,532,543	400,105	981,646	293,813	549,678	361,585	412,033	849,495	326,929	570,301	8,884,374
2016	2,840,100	1,662,974	377,196	828,941	271,344	502,378	416,601	415,810	811,689	306,113	396,598	8,829,744
2015	3,160,113	1,637,723	335,284	924,209	287,515	584,577	474,528	484,928	776,817	302,612	314,373	9,282,679
2014	2,853,719	1,552,422	285,205	822,982	283,614	622,567	512,528	537,316	757,813	301,808	638,478	9,168,452

(1) Other includes Airport Sharing sales tax revenues with the Village of Wheeling

Data Source
The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

ASSESSSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
2022	\$ 399,525,244	\$ 102,492,064	\$ 14,901,523	\$ -	\$ 516,918,831	0.347	\$ 1,552,308,802
2021	319,778,021	83,555,172	11,260,698	-	414,593,891	0.428	1,245,026,700
2020	347,407,354	89,079,489	17,704,256	-	454,191,099	0.380	1,363,937,234
2019	344,603,503	81,658,591	8,768,049	-	435,030,143	0.402	1,306,396,826
2018	315,563,465	69,200,826	7,152,131	-	391,916,422	0.443	1,176,926,192
2017	317,801,414	71,597,503	7,400,492	-	396,799,409	0.433	1,191,589,817
2016	319,199,567	66,515,762	6,939,523	-	392,654,852	0.434	1,179,143,700
2015	264,487,804	60,418,905	6,878,199	-	331,784,908	0.486	996,351,075
2014	271,057,625	64,033,525	6,801,574	-	341,892,724	0.486	1,026,704,877
2013	259,301,835	55,630,818	16,778,346	-	331,710,999	0.498	996,129,126

Note: Property is re-assessed every three years and is assessed at 33.33% of estimated actual value. Tax rates are per \$100 of equalized assessed valuation.

Data Source

Cook County Tax Extension Office

City of Prospect Heights

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Levy Years***

Name of Taxing Entity/Levy Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
CITY DIRECT RATES										
Police Pension and Roads	0.347	0.428	0.380	0.402	0.443	0.433	0.434	0.486	0.486	0.498
TOTAL DIRECT RATES	0.347	0.428	0.380	0.402	0.443	0.433	0.486	0.486	0.498	0.319
OVERLAPPING RATES										
County of Cook	0.431	0.446	0.453	0.454	0.489	0.496	0.533	0.552	0.568	0.560
Forest Preserve District of Cook County	0.081	0.058	0.058	0.059	0.060	0.062	0.063	0.069	0.069	0.069
Metropolitan Water Reclamation District	0.374	0.382	0.378	0.389	0.040	0.402	0.406	0.426	0.430	0.417
Consolidated Elections	-	0.019	-	-	-	-	-	0.034	-	0.031
Northfield Township - General	0.023	0.025	0.022	0.021	0.024	0.023	0.024	0.028	0.032	0.031
Northfield Township - General Assistance	0.008	0.008	0.007	0.007	0.007	0.006	0.006	0.007	0.007	0.008
Northfield Township - Road & Bridge	0.050	0.055	0.049	0.048	0.052	0.049	0.049	0.057	0.054	0.053
Wheeling Township - General	0.036	0.041	0.037	0.038	0.043	0.043	0.041	0.055	0.052	0.056
Wheeling Township - General Assistance	0.007	0.008	0.008	0.008	0.009	0.009	0.008	0.010	0.010	0.010
Wheeling Township - Road & Bridge	0.012	0.015	0.013	0.014	0.016	0.015	0.014	0.020	0.019	0.019
Northfield Woods Sanitary District	0.090	0.093	0.084	0.082	0.093	0.065	0.088	0.098	0.099	0.098
Old Town Sanitary District	-	-	-	-	-	-	-	-	0.028	0.028
Northwest Mosquito Abatement District	0.009	0.011	0.010	0.010	0.011	0.010	0.010	0.011	0.013	0.013
Arlington Heights Township High School #214	2.352	2.664	2.382	2.356	2.669	2.563	2.527	2.881	2.776	2.768
Northfield Township High School #225	2.064	2.310	2.084	2.006	2.216	2.102	2.106	2.493	2.367	2.341
Harper Community College District #512	0.410	0.457	0.409	0.403	0.443	0.425	0.416	0.466	0.451	0.444
Oakton Community College District #535	0.221	0.252	0.227	0.221	0.246	0.232	0.231	0.271	0.258	0.256
Arlington Heights Park District	0.464	0.521	0.469	0.457	0.514	0.494	0.488	0.626	0.636	0.633
Prospect Heights Park District	0.753	0.865	0.777	0.751	0.817	0.784	0.770	0.912	0.884	0.856
River Trails Park District	0.645	0.721	0.637	0.626	0.708	0.681	0.665	0.769	0.748	0.747
Wheeling Park District	0.744	0.870	0.783	0.778	0.880	0.842	0.829	0.924	0.890	0.899
Prospect Heights Public Library District	0.525	0.585	0.526	0.525	0.572	0.547	0.545	0.621	0.597	0.599
Indian Trails Public Library District	0.454	0.497	0.458	0.446	0.493	0.481	0.476	0.534	0.529	0.504
Northbrook Rural Fire Protection District	0.666	0.729	0.659	0.629	0.730	0.703	0.690	0.800	0.800	0.800
Prospect Heights Fire Protection District	0.955	1.134	1.004	0.969	1.057	1.018	0.979	1.148	1.102	1.091
Glenbrook Fire District	0.649	0.754	0.672	0.652	0.761	0.726	0.720	0.815	0.796	0.788
City of Prospect Heights:										
Special Service Area #1	-	-	-	-	-	-	0.291	0.035	0.035	0.035
Special Service Area #2	-	-	-	-	-	-	0.783	0.930	0.911	0.930
Special Service Area #3	-	-	-	-	-	-	0.101	0.119	0.107	0.098
Special Service Area #4	-	-	-	-	-	-	0.852	0.910	0.909	0.831
Special Service Area #5	0.035	0.047	0.040	0.049	0.062	0.061	0.142	0.018	0.018	0.018
Special Service Area #6	1.112	1.327	1.215	1.147	1.261	1.326	1.328	1.511	1.449	1.434
Special Service Area #8	0.313	0.433	0.393	0.518	0.622	0.593	0.979	1.105	1.072	1.079
School District #21 - Wheeling	4.635	5.205	4.683	4.691	5.276	5.022	4.966	5.642	5.430	4.841
School District #23 - Prospect Heights	3.346	3.807	3.416	3.312	3.595	3.479	3.404	4.062	3.922	3.932
School District #25 - Arlington Heights	3.437	3.709	3.334	3.246	3.617	3.488	3.424	3.990	3.678	3.659
School District #26 - River Trails	4.058	4.527	3.991	3.916	4.365	4.198	4.140	4.742	3.873	3.873
School District #31 - West Northfield	2.734	3.174	2.672	2.577	2.842	2.700	2.699	3.107	2.911	2.946

* Property tax rates are per \$100 of equalized assessed valuation.

Data Source

Cook County Tax Extension Office

City of Prospect Heights

PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	At Fiscal Year End April 30, 2023		
	2022 Taxable Assessed Value	Rank	Percentage of Total City 2022 Taxable Assessed Value
	CR Congress LLC	\$ 9,870,560	1
Crowne Plaza Chicago - Northbrook	9,465,479	2	1.83%
Individual	9,012,614	3	1.74%
Individual	8,554,960	4	1.65%
Palwaukee Equities LLC	4,814,787	5	0.93%
Life Storage LP	4,748,264	6	0.92%
Conor Globe	4,097,671	7	0.79%
Briarwood Lakes LP	3,900,406	8	0.75%
City of Prospect Heights	3,835,909	9	0.74%
Chicago Executive Airport	2,917,194	10	0.56%
Prospect Heights Hotel	-		0.00%
Signature Flight	-		0.00%
Frank S Allgauer	-		0.00%
Costa Construction Inc.	-		0.00%
Palwaukee Plaza	-		0.00%
Radler Group, Inc.	-		0.00%
Bays Northbrook Hosp C	-		0.00%
HCP Inc.	-		0.00%
Total assessed valuation	<u>\$ 61,217,844</u>		<u>11.84%</u>
Total equalized assessed valuation	<u>\$ 516,918,831</u>		

Taxpayer	At Fiscal Year End April 30, 2014		
	2014 Taxable Assessed Value	Rank	Percentage of Total City 2014 Taxable Assessed Value
	Frank S Allgauer	\$ 2,851,995	1
Briarwood Lakes LP	2,674,995	2	0.78%
Bays Northbrook Hosp C	2,270,863	3	0.66%
CR Congress LLC	1,902,457	4	0.56%
Palwaukee Plaza	1,827,255	5	0.53%
HCP Inc.	1,130,114	6	0.33%
Prospect Heights Hotel	916,248	7	0.27%
Signature Flight	751,250	8	0.22%
Radler Group, Inc.	602,510	9	0.18%
Costa Construction Inc.	553,302	10	0.16%
Crowne Plaza Chicago - Northbrook	-		0.00%
Individual	-		0.00%
Individual	-		0.00%
Palwaukee Equities LLC	-		0.00%
Life Storage LP	-		0.00%
City of Prospect Heights	-		0.00%
Chicago Executive Airport	-		0.00%
Total assessed valuation	<u>\$ 15,480,989</u>		<u>4.53%</u>
Total equalized assessed valuation	<u>\$ 341,892,724</u>		

Data Source

Cook County Clerk's Office - Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

City of Prospect Heights

SALES TAX BY CATEGORY
Last Ten Calendar Years ⁽¹⁾

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General merchandise ⁽²⁾	\$ 17,850	\$ 13,904	\$ 12,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	635,485	582,588	589,135	485,924	461,254	426,406	293,489	267,897	357,378	144,027
Drinking and eating places	213,204	191,912	119,617	182,111	201,661	191,882	184,738	178,967	184,757	174,266
Apparel	8,702	6,522	1,904	-	1,845	2,152	-	2,045	-	-
Furniture and H.H. and radio	24,501	21,712	17,923	18,401	19,572	23,216	18,627	23,547	21,462	24,330
Lumber, building, hardware ⁽²⁾	5,281	8,939	9,660	12,953	13,411	13,742	14,704	11,008	10,290	11,654
Automobile and filling stations	222,080	202,681	148,293	149,248	137,502	113,645	112,460	120,164	150,517	114,943
Drugs and miscellaneous retail	487,214	472,568	199,053	195,732	194,850	193,722	194,775	177,608	174,312	202,437
Agriculture and all others	111,236	98,345	64,218	103,112	96,156	89,748	81,475	64,376	54,980	56,541
Manufacturers ⁽²⁾	5,469	7,099	1,913	2,115	-	-	2,134	-	1,889	6,486
Unclassified ⁽²⁾	-	-	-	12,081	14,505	18,320	13,029	14,083	14,535	18,710
TOTAL	\$ 1,731,022	\$ 1,606,270	\$ 1,164,628	\$ 1,161,677	\$ 1,140,756	\$ 1,072,833	\$ 915,431	\$ 859,695	\$ 970,119	\$ 753,394
CITY'S DIRECT SALES TAX RATE	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
NUMBER OF TAXPAYERS	2,576	1,919	329	337	346	323	323	344	286	288

Notes:

⁽¹⁾ Data not available on a City fiscal-year basis. Data available for a calendar year only and excludes non-home rules sales tax.

⁽²⁾ Blank categories have less than 4 taxpayers; therefore, no data is shown to protect the confidentiality of individual taxpayers. Total sales tax revenues generated by these taxpayers is included in the total; therefore, it has been reported under the "Unclassified" category.

Data Source

Illinois Department of Revenue

City of Prospect Heights

DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Fiscal Years

Fiscal Year Ended April 30th	City Direct Rate	City Non-Home Rule Rate ⁽¹⁾	State of Illinois Rate	Cook County Rate	Regional Transportation Authority Rate	Total Sales Tax Rate
2023	1.00	0.5	6.25	1.75	1.00	10.50
2022	1.00	0.50	6.25	1.75	1.00	10.50
2021	1.00	0.50	5.25	1.75	1.00	9.50
2020	1.00	0.50	5.25	1.75	1.00	9.50
2019	1.00	0.50	5.25	1.75	1.00	9.50
2018	1.00	0.50	5.25	1.75	1.00	9.50
2017	1.00	0.50	5.25	1.75	1.00	9.50
2016	1.00	0.50	5.25	1.75	1.00	9.50
2015	1.00	0.50	5.25	0.75	1.00	8.50
2014	1.00	0.50	5.25	0.75	1.00	8.50

Notes:

⁽¹⁾ The City enacted a non-home rule sales tax effective July 1, 2005

Data Source

Illinois Department of Revenue

City of Prospect Heights

**PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years**

Fiscal Year Ended April 30th	Levy Year	Total Tax Levy Extended	Collections received from the Tax Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2023	2022(1)	\$ 2,220,051	\$ 1,051,377	47.4	-	\$ 1,051,377	47.4
2022	2021	2,184,504	2,157,885	98.8	-	2,157,885	98.8
2021	2020	2,127,115	2,101,787	98.8	65	2,101,787	98.8
2020	2019	2,134,786	2,042,394	95.7	653	2,042,394	95.7
2019	2018	2,122,828	2,062,401	97.2	(32,413)	2,028,722	95.6
2018	2017	2,122,428	2,089,087	98.4	(48,366)	2,041,193	96.2
2017	2016	2,352,436	2,378,151	98.7	(65,571)	2,286,878	97.2
2016	2015	2,350,877	2,337,323	99.4	(47,915)	2,289,408	97.4
2015	2014	2,275,959	2,265,225	99.5	(56,483)	2,208,745	97.0
2014	2013	2,239,335	2,216,999	99.0	(28,117)	2,188,884	97.7

(1) Levy year 2022 reflects first installment only

Data Source

Cook County Treasurer and City of Prospect Heights Records

City of Prospect Heights

PROPERTY TAX LEVIES AND COLLECTIONS BY TAXING AREA
Last Ten Levy Years

Tax levy year	2022 (1)	2021	2020	2019	2018	2017	2016	2015	2014	2013
City-wide - Police pension	\$ 211,115	\$ 417,663	\$ 408,370	\$ 363,605	\$ 348,709	\$ 342,138	\$ 332,225	\$ 309,233	\$ 285,061	\$ 278,360
Road Bonds	638,969	1,334,886	1,296,912	1,336,038	1,312,347	1,322,420	1,325,081	1,323,904	1,325,864	1,333,510
Special services area #1	-	-	-	-	-	-	-	27,240	27,139	27,236
Special services area #2	-	-	-	-	-	-	42,257	41,972	43,907	42,772
Special services area #3	-	-	-	-	-	-	25,622	24,614	22,709	20,435
Special services area #4	-	-	-	-	-	-	42,848	40,988	41,158	37,884
Special services area #5	13,744	29,298	27,656	25,962	25,046	25,596	61,950	61,660	6,209	5,612
Special services area #6	120,750	227,918	227,757	221,808	222,732	244,593	246,095	245,840	248,715	245,125
Special services area #8	66,799	148,120	141,092	95,823	127,884	125,728	219,148	213,925	208,072	198,009
Total collections to date	\$ 1,051,377	\$ 2,157,885	\$ 2,101,787	\$ 2,043,236	\$ 2,036,718	\$ 2,060,475	\$ 2,295,226	\$ 2,289,376	\$ 2,208,834	\$ 2,188,943
Levy as extended	\$ 2,220,051	\$ 2,184,504	\$ 2,127,115	\$ 2,134,786	\$ 2,122,828	\$ 2,122,428	\$ 2,352,436	\$ 2,350,877	\$ 2,275,959	\$ 2,239,415
Percent collected	47.4%	98.8%	98.8%	95.7%	95.9%	97.1%	97.6%	97.4%	97.1%	97.7%

(1) Levy year 2022 reflects first installment only

Data Source

Cook County Treasurer

City of Prospect Heights

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended April 30 th	Governmental Activities					Business-Type Activities		Total City	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Tax Increment Notes Payable	Installment Contract Payable	Special Service Area Bonds	Note Payable	General Obligation Bonds				
2023	\$ 5,273,544	\$ -	\$ -	\$ 1,165,000	\$ -	\$ 145,000	\$ 6,583,544	0.99	425.13	
2022	6,590,116	-	-	1,340,000	-	215,000	8,145,116	1.31	519.09	
2021	7,861,688	-	-	1,510,000	-	280,000	9,651,688	1.65	607.52	
2020	9,104,636	-	-	1,670,000	-	340,000	11,114,636	1.97	699.61	
2019	10,315,144	-	-	1,820,000	-	400,000	12,535,144	2.22	789.02	
2018	11,513,393	-	-	1,895,000	-	455,000	13,863,393	2.52	872.62	
2017	12,661,057	500,000	-	2,015,000	-	510,000	15,686,057	2.83	978.60	
2016	13,783,723	945,000	-	2,130,000	-	565,000	17,423,723	3.33	1,066.91	
2015	19,586,389	1,365,000	-	2,240,000	-	615,000	23,806,389	4.65	1,465.73	
2014	21,319,953	1,765,000	-	2,340,000	-	665,000	26,089,953	5.07	1,592.21	

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

⁽¹⁾ Additional demographic information is available in the schedule of *Demographic and Economic Statistics*.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years**

<u>Fiscal Year Ended April 30th</u>	<u>General Bond Debt</u>	<u>Less: Amounts Available for General Bonded Debt</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Value of Taxable Property ⁽¹⁾</u>	<u>Per Capita ⁽²⁾</u>
2023	\$ 5,418,544	\$ 846,654	\$ 4,571,890	0.29	295.23
2022	6,805,116	825,819	5,979,297	0.48	381.07
2021	8,141,688	861,750	7,279,938	0.53	458.23
2020	9,444,637	876,774	8,567,863	0.66	539.30
2019	10,715,144	887,607	9,827,537	0.84	618.59
2018	11,968,393	863,923	11,104,470	0.93	692.77
2017	13,171,057	844,926	12,326,131	1.05	754.77
2016	14,348,723	815,212	13,533,511	1.36	833.24
2015	20,201,389	783,635	19,417,754	1.95	1,185.02
2014	21,984,953	549,369	21,435,584	2.09	1,305.61

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

(1) Estimated actual value of taxable property reflects most current information available at end of fiscal year. For example, levy year 2013 estimated actual value of taxable property provided for fiscal year 2014. See *Assessed Value and Actual Value of Taxable Property*, for more property value information.

(2) Population data can be found in *Demographic and Economic Statistics*.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
April 30, 2023

<u>Governmental Unit</u> (Debt repaid with property taxes)	2022 Valuation	2022 Assessed Value in City	General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Taxing Authority:					
Cook County	184,638,382,502	\$ 516,918,831	\$ 2,251,061,750	0.24%	\$ 5,319,183
Cook County Forest Preserve	184,638,382,502	516,918,831	98,005,000	0.24%	231,583
Metropolitan Water Reclamation District	181,643,464,150	516,918,831	2,585,694,346	0.24%	6,206,107
Others:					
Arlington Heights Park District	3,554,732,773	40,591,706	7,985,000	1.14%	91,181
Prospect Heights Park District	426,754,760	205,749,879	6,047,600	48.21%	2,915,710
River Trails Park District	614,364,785	102,409,498	8,110,805	16.67%	1,352,004
Wheeling Park District	1,277,004,003	55,886,660	9,485,000	4.38%	415,100
School Districts:					
School District 21	2,377,118,203	127,844,218	93,540,000	5.38%	5,030,691
School District 23	667,751,656	210,656,572	11,100,000	31.55%	3,501,733
School District 25	2,348,497,684	9,142,292	91,070,000	0.39%	354,520
School District 26	652,566,269	56,994,661	16,280,000	8.73%	1,421,883
School District 31	725,023,883	9,956,148	10,505,000	1.37%	144,256
Arlington Hts. Township High School District 214	11,191,857,566	404,637,743	22,265,000	3.62%	804,983
Northfield Township High School District 225	7,188,064,329	9,956,148	45,020,000	0.14%	62,357
Harper Community College 512	21,919,266,136	404,637,743	230,765,000	1.85%	4,260,007
Total Overlapping General Obligation Bonded Debt					\$ 15,580,431
Direct Debt:					
City of Prospect Heights	516,918,831	516,918,831	4,850,000 (1)	100.000%	4,850,000 *
Total Direct and Overlapping General Obligation Bonded Debt					<u>\$ 36,961,299</u>

* Excludes Prospect Heights Special Service Areas #6 bonds in the amount of \$1,165,000 which applies to only a small portion of the City.

(1) Excludes G.O. Debt Certificates - Series 2010, balance at 4/30/23 is \$145,000

Sources: Cook County Clerk and the MSRB's Electronic Municipal Mar4ket Access website "EMMA"

City of Prospect Heights

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal debt margin calculation for period ending April 30, 2023

Assessed value - 2022 tax year
Debt limit (8.625% of assessed value)
Debt applicable to limit:
General obligation debt (includes water bonds)

Legal debt margin

Levy Year Fiscal Year	2022 2023	2021 2022	2020 2021	2019 2020	2018 2019	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014
Assessed value ⁽¹⁾	\$ 516,918,831	\$ 414,593,891	\$ 454,191,099	\$ 435,030,143	\$ 391,916,422	\$ 396,799,409	\$ 392,654,852	\$ 331,784,908	\$ 341,892,724	\$ 331,710,999
Debt limit	44,584,249	35,758,723	39,173,982	37,521,350	33,802,791	34,223,949	33,866,481	28,616,448	29,488,247	28,610,074
Total net debt applicable to limit	5,418,544	6,805,116	8,141,688	9,444,637	10,715,144	11,968,393	13,171,057	14,348,723	20,201,389	21,984,953
Legal debt margin	\$ 39,165,705	\$ 28,953,607	\$ 31,032,294	\$ 28,076,713	\$ 23,087,647	\$ 22,255,556	\$ 20,695,424	\$ 14,267,725	\$ 9,286,858	\$ 6,625,121
Total net debt applicable to the limit as a percentage of debt limit	12.15%	19.03%	20.78%	25.17%	31.70%	34.97%	38.89%	50.14%	68.51%	76.84%

Note: Under state finance law, the City's outstanding general obligation debt should not exceed 8.625 percent of total assessed property value.

(1) Assessed value reflects most current information available at end of fiscal year. For example, 2019 assessed value provided for fiscal year 2020.

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

**PLEGGED-REVENUE COVERAGE
Last Ten Fiscal Years**

Tax Increment Allocation Notes, Series 2004

Fiscal Year Ended April 30th	Incremental Property Taxes and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2023	\$ -	\$ -	\$ -	\$ -	\$ -	NA
2022	-	-	-	-	-	NA
2021	610,601	557,038	53,563	-	-	NA
2020	969,147	250,673	718,474	-	-	NA
2019	1,014,466	17,772	996,694	-	-	NA
2018	1,126,564	2,911	1,123,653	500,000	24,500	2.14
2017	206,597	51,816	154,781	445,000	46,305	0.32
2016	304,512	177,542	126,970	420,000	66,886	0.26
2015	537,291	320,561	216,730	400,000	84,485	0.45
2014	630,802	168,477	462,325	345,000	99,665	1.04

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

Data Source

The City of Prospect Heights Annual Comprehensive Financial Report

City of Prospect Heights

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2023	15,486	\$ 662,289,762	\$ 42,767	4.5
2022	15,691	620,327,994	39,534	4.5
2021	15,887	585,038,775	36,825	8.4
2020	15,887	563,861,404	35,492	15.8
2019	15,887	563,861,404	35,492	15.8
2018	16,029	550,275,570	34,330	4.3
2017	16,331	553,441,259	33,889	4
2016	16,242	523,934,436	32,258	6.4
2015	16,386	512,422,992	31,272	5.7
2014	16,418	514,129,670	31,315	6

Data Sources

(1) U.S. Census Bureau.

(2) U.S. Census Bureau, Per capita money income in past 12 months (2021 dollars) 2017-2021

(3) Illinois Department of Employment Security (IDES) - Homefacts

City of Prospect Heights

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Fiscal Year Ended April 30, 2023

Employer	Business/Service	Employees	Percent of Total	Rank
School District Number 23	Elementary Public Schools	210	2.45%	1
Hilton Hotel and Allgauer's Restaurant	Hotel and Restaurant	150	1.75%	2
Tony's Fresh Market	Retail Grocery Store	150	1.75%	3
Prospect Heights Park District	Parks and Recreation	125 *	1.46%	4
Plitek, LLC	Film Extrusion	80	0.93%	5
Crowne Plaza (Chicago 2875 LLC)	Hotel and Restaurant	75	0.87%	6
Labor Solutions, LLC	Company Headquarters and Employ	45	0.52%	7
Prospect Heights Public Library	Public Library	45	0.52%	8
City of Prospect Heights	Municipal Government (FTE)	42	0.49%	9
Prospect Heights Fire Protection District	Fire Protection	35	0.41%	10
Total		<u><u>957</u></u>	<u><u>11.16%</u></u>	

Fiscal Year Ended April 30, 2014

Employer	Business/Service	Employees	Percent of Total	Rank
School District Number 23	Elementary public schools	208 *	N/A	1
Hilton Hotel and Allgauer's Restaurant	Hotel and restaurant	150 *	N/A	2
Ultra Foods	Grocery store	148	N/A	3
Prospect Heights Park District	Public parks, recreation	131 *	N/A	4
Crowne Plaza	Hotel and restaurant	120 *	N/A	5
Emeritus Senior Living	Long Term Care Facilities	101 *	N/A	5
Terrance Electric & Technology	Commercial & industrial printing	63 *	N/A	6
Prospect Heights Fire Protection Dist.	Fire Protection	57 *	N/A	7
City of Prospect Heights	Municipal government	49 *	N/A	8
House of Music and Entertainment	Restaurant and bar	44 *	N/A	9
Prospect Heights Public Library	Public library	41 *	N/A	10
Total		<u><u>1,112</u></u>	<u><u>N/A</u></u>	

* Includes Full-time, Part-time and/or Seasonal

Data Sources

(1) 2023 Illinois Manufacturers Directory, 2023 Illinois Services Directory and selective telephone survey.

City of Prospect Heights

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL GOVERNMENT										
Administration	3.50	3.50	3.50	3.50	3.50	3.50	2.00	3.50	1.25	3.00
Finance	-	-	-	-	-	-	1.00	1.50	1.25	1.50
Building and Zoning	4.00	4.00	4.00	4.00	4.00	4.00	2.50	3.00	2.50	3.50
Engineering	-	-	-	-	-	-	1.00	-	0.50	0.50
PUBLIC SAFETY										
Police Sworn	23.00	23.00	23.00	23.00	22.00	23.00	24.00	27.00	27.00	27.00
Police Civilian	4.00	3.00	4.00	4.00	3.00	4.00	1.00	4.00	4.00	3.50
PUBLIC WORKS										
Administration	1.00	1.00	1.00	1.00	1.00	1.00	0.50	2.00	2.00	1.00
Streets and Sewers	1.00	1.00	1.00	1.00	1.00	2.00	1.90	2.00	2.00	2.00
Forestry	-	-	-	-	-	-	1.50	-	-	-
Drainage	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.00	1.00	1.00
Building Maintenance	1.00	1.00	1.00	1.00	1.00	1.00	-	1.00	-	-
Vehicle Maintenance	1.00	1.00	1.00	1.00	1.00	-	1.10	1.00	1.00	1.00
Water	1.25	1.25	1.25	1.25	1.25	1.25	1.00	1.50	1.50	1.50
Sanitary Sewer	1.25	1.25	1.25	1.25	1.25	0.25	-	0.50	-	-
CONVENTION & VISITORS BUREAU										
	-	-	-	-	-	-	5.00	-	-	-
Total	42.00	41.00	42.00	42.00	40.00	41.00	44.00	48.00	44.00	45.50

Data Source

City of Prospect Heights Actual Payroll Fiscal Year End

City of Prospect Heights

OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Number of calls	4,965	4,891	4,867	5,149	5,598	5,438	5,484	5,447	5,816	5,597
Part One Offenses ⁽¹⁾	458	399	139	101	145	122	138	106	176	178
Part Two Offenses ⁽²⁾	134	148	675	475	443	521	586	652	737	740
Part One Arrests ⁽¹⁾	109	93	34	28	34	33	61	41	30	34
Part Two Arrests ⁽²⁾	93	72	275	367	378	475	658	745	431	456
Auto Accident investigations	304	438	155	366	399	423	407	389	377	333
Building & Zoning ⁽³⁾										
Building permits issued (residential and commercial)	629	553	708	516	638	791	834	559	471	457
Value of all construction permits issued	\$ 19,089,596	\$ 13,431,554	\$ 17,523,466	\$ 30,099,264	\$ 16,298,545	\$ 9,762,995	\$ 23,904,289	\$ 31,981,883	\$ 18,888,073	\$ 13,186,191
Plan reviews	931	659	669	595	595	819	880	796	503	748
Building inspections	1,317	1,342	1,144	1,562	1,501	2,016	1,294	946	743	777
Rental dwelling inspections	1,588	2,303	1,569	1,554	1,681	2,363	1,682	1,397	1,599	1,457
Health inspections	180	233	134	158	219	152	192	87	142	261
Engineering										
Right-of-way permits reviewed	28	21	27	39	22	15	14	27	32	31
Subdivision reviews (number)	-	-	2	-	1	3	3	-	-	-
Road program/street reconstruction (linear feet)	368	-	-	-	-	-	-	-	-	-
Road program/resurfacing (linear feet)	-	-	-	550	13,400	-	4,700	-	-	48,568
Public works - general										
Streets cold patching (in tons)	6	10	6	4	6	9	5	6	3	10
Streets resurfaced (square yards)	-	700	-	-	-	-	-	-	-	110,550
Streets cleaned (miles)	5.00	4.00	4.00	5.00	6.00	6.00	4.00	21.00	20.33	21.40
Snow plowing/salting (hours)	510	620	878	495	670	7	540	552	835	1,810
Storm sewers repaired & cleaned (linear feet)	2,500	1,500	4,200	3,500	2,700	3,250	8,200	2,162	2,720	5,294
Service requests (residential and intra-city)	2,250	2,400	2,100	2,150	2,080	2,210	2,150	2,244	2,118	2,317
JULIE utility locates	2,354	2,636	2,109	2,294	2,726	3,246	3,046	3,718	2,680	2,571
Parkway trees planted	4	12	5	6	7	3	2	37	34	28
Public works - Water										
Gallons of water billed (in thousands)		43,153	52,547	42,197	43,205	41,600	43,889	43,889	43,889	44,290
Main break repairs	2	1	2	5	1	2	1	1	5	-
Meters replaced	8	10	14	15	7	1	-	-	-	-
Services initiated	-	-	-	1	-	-	2	2	-	1

Data Source

City of Prospect Heights departmental records.

NOTES:

- (1) Part One Offenses are defined by the Federal Bureau of Investigation as the statistical measurement that includes murder, armed robbery, robbery, aggravated criminal sexual assault, aggravated assault, theft, auto theft, and arson.
- (2) Part Two Offenses are defined by the Federal Bureau of Investigation as the statistical measurement of all other misdemeanor offenses not included in Part One offenses.
- (3) These statistics are tracked on a calendar year basis. Statistics reported are for the calendar year ending within the fiscal year

City of Prospect Heights

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Patrol units	20	17	17	17	17	17	18	18	18	18
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00	77.00
Sidewalks (miles)	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.73	9.73
Buildings maintained	6	6	6	6	6	6	6	6	6	6
Sanitary sewers (miles)	44.70	44.70	44.70	44.70	44.70	44.70	44.70	44.70	8.35	8.35
Storm sewer lift stations	3	3	3	3	3	3	3	2	2	2
Street lights (number)	19	19	19	19	19	19	19	19	19	19
Land maintained (acres)	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07	18.07
Water										
Fire hydrants	146	146	146	146	146	146	146	146	146	146
Valves	153	153	153	153	153	153	153	153	153	153
Pump stations	1	1	1	1	1	1	1	1	1	1
Interconnects	2	2	2	2	2	2	2	2	2	2
Storage capacity (in thousands of gallons)	550	550	550	550	550	550	550	550	550	550

Data Source

City of Prospect Heights Police, Engineering, and Public Works Department records.