



PUBLIC NOTICE

IN ACCORDANCE WITH THE APPLICABLE STATUTES OF THE STATE OF ILLINOIS AND ORDINANCES OF THE CITY OF PROSPECT HEIGHTS, NOTICE IS HEREBY GIVEN THAT

THE WORKSHOP MEETING
OF THE MAYOR AND CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS
WILL BE HELD ON MONDAY, NOVEMBER 12, 2018 AT 6:30 P.M.

**IN THE COUNCIL CHAMBERS, PROSPECT HEIGHTS CITY HALL,
8 NORTH ELMHURST ROAD, PROSPECT HEIGHTS, ILLINOIS
MAYOR NICHOLAS J. HELMER PRESIDING**

**DURING WHICH MEETING IT IS ANTICIPATED THERE WILL BE DISCUSSION AND
CONSIDERATION OF AND, IF SO DETERMINED, ACTION UPON
THE MATTERS CONTAINED IN THE FOLLOWING:**

- 1. CALL TO ORDER**
- 2. ROLL CALL FOR QUORUM**
- 3. PLEDGE OF ALLEGIANCE** - Audience Participation
- 4. APPROVAL OF MINUTES**
 - A.** October 22, 2018 City Council Regular Meeting Minutes
 - B.** Executive Session Minutes Review
 - C.** August 27, 2018 Executive Session Meeting Minutes (but not for public release)
- 5. PRESENTATION**

A. Presentation by PMA Financial Network for Money Management of City Investments

B. Audit Presentation by Anthony Michelotti of Eder, Casella & Co.

6. APPOINTMENTS/CONFIRMATIONS AND PROCLAMATIONS

7. PUBLIC CONCERNS AND COMMENTS (agenda matters)

8. STAFF, ELECTED OFFICIALS, and COMMISSION REPORTS

9. DISCUSSION TOPICS FOR WORKSHOP MEETING:

A. Staggered Elections

B. Sanitary Sewer Delinquent Payments

C. City Investment Policy

10. CONSENT AGENDA - All items listed on the Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member or citizen so requests, in which event the item will be removed from the general order of business and considered after all other Agenda items.

A. R-18-39 Staff Memo and Resolution Approving Additional Work for the Installation of Public Works Salt Dome Concrete Pad and Pavement Subbase Removal and Replacement for Three Cul-de-sacs Along Country Club Drive for a Total Cost of \$41,800 with Builders Paving.

B. R-18-40 Staff Memo and Resolution Authorizing a Civil Engineering Services Agreement with Gewalt Hamilton Associates, Inc. (GHA) for Review of Sanitary Sewer Inspection Videotapes and the Creation of a Sanitary Sewer Capital Improvement Plan (CIP) for a Cost Not-to-exceed \$18,500

C. R-18-43 Resolution Amending the Purchase Agreement for 25-35 Piper Lane

11. OLD BUSINESS

A. O-18-35 Staff Memo and Ordinance Approving a Special Use Permit for an Automobile Storage Facility at 1326 N. Rand Rd. in the City's B-3 Commercial, Wholesale and General Services District (**2nd Reading**)

12. NEW BUSINESS

A. R-18-41 Staff Memo and Resolution Authorizing PMA Financial Networks, Inc. and PMA Securities, Inc. to Provide Investment Services for the City of Prospect Heights

B. R-18-42 Staff Memo and Resolution Authorizing and Establishing a City Investment Policy

C. Estimate of Proposed 2018 Property Tax Levies

13. APPROVAL OF WARRANTS

A. Approval of Expenditures

General Fund	\$226,035.58
Motor Fuel Tax Fund	\$0.00
Palatine/Milwaukee Tax Increment Financing District	\$0.00
Tourism District	\$1,028.46
Development Fund	\$0.00
Drug Enforcement Agency Fund	\$0.00
Solid Waste Fund	\$29,410.14
Special Service Area #1	\$0.00
Special Service Area #2	\$0.00
Special Service Area #3	\$0.00
Special Service Area #4	\$0.00
Special Service Area #5	\$0.00
Special Service Area #8 – Levee Wall #37	\$0.00
Special Service Area-Constr #6 (Water Main)	\$0.00
Special Service Area- Debt #6	\$0.00
Capital Improvements	\$36,960.25
Palatine Road Tax Increment Financing	\$0.00
Road Construction	\$0.00
Road Construction Debt	\$0.00
Water Fund	\$9,983.59

Parking Fund	\$40.40
Sanitary Sewer Fund	\$2,926.60
Road/Building Bond Escrow	<u>\$1,212.00</u>
TOTAL	\$307,597.02
<u>Wire Payments</u>	
	\$161,304.44
10/26/2018 PAYROLL POSTING	
	\$134,089.20
11/9/2018 PAYROLL POSTING	
	\$1,406,018.75
US BANK DEBT SERVICE PAYMENTS	
	\$19,028.26
OCTOBER ILLINOIS MUNICIPAL RETIREMENT FUND	
	\$41,501.31
POLICE PENSION PAYMENTS	
	\$19,261.06
VEBA POLICE RETIREMENT HEALTH SAVINGS	.
TOTAL WARRANT	<u>\$2,088,800.04</u>

14. PUBLIC COMMENTS (Non-agenda matters)

15. EXECUTIVE SESSION

16. ACTION ON EXECUTIVE SESSION ITEMS, IF REQUIRED

17. ADJOURNMENT

Posted: by Karen Schultheis by 5:00PM, November 8th, 2018

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management's assertion that the City of Prospect Heights, Illinois (City), with respect to their Tax Increment Finance Districts, complied with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2018. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination includes performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended April 30, 2018.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 29, 2018

eder, casella & co.



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

This letter will serve as verification to you that no management letter was issued in connection with our audit of City of Prospect Heights for the year ended April 30, 2018. No management letter was issued since no items that needed Council attention were discovered during the course of our audit examination.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 29, 2018

eder, casella & co.

October 29, 2018

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Prospect Heights, Illinois (City) for the year ended April 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 22, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Prospect Heights are described in Note 1 to the financial statements. During fiscal year 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. The application of existing policies was not changed during fiscal year 2018. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The most sensitive estimates affecting the financial statements were:

- Management's estimate of depreciation expense is based on estimated useful lives of the capital assets held by the City.
- Management's estimates regarding pension and OPEB liabilities were based on various actuarial assumptions regarding projected salaries, market trends, and expected mortality.
- Management's estimates regarding allowances on receivables were based on historical collection rates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached adjustments were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter, a copy of which is attached.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedules of Changes in the Employer's Net Pension/OPEB Liability and Related Ratios, Schedules of Employer Contribution, and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplemental information, listed in the table of contents of the audit report, which accompany the financial statements but are not RSI. With respect to the supplemental information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplemental information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City of Prospect Heights and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

Client: *City of Prospect Heights*
Engagement: *City of Prospect Heights*
Period Ending: *4/30/2018*
Trial Balance: *14 - Development*
Workpaper: *14 Development AJEs*

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
Adjust land held for resale to fair value				
14-000-1600	LAND		534,500.00	
14-200-8010	CHANGE IN FAIR VALUE			534,500.00
Total			<u>534,500.00</u>	<u>534,500.00</u>
Total Adjusting Journal Entries			<u>534,500.00</u>	<u>534,500.00</u>
Total All Journal Entries			<u>534,500.00</u>	<u>534,500.00</u>

I have reviewed and agree with the adjustments above:

Chris Graffen
Client Signature

10/19/18
Date

City of Prospect Heights

8 North Elmhurst Road
Prospect Heights, IL 60070

Eder, Casella & Co.
5400 West Elm Street
Suite 203
McHenry, Illinois 60050

This representation letter is provided in connection with your audit of the financial statements of City of Prospect Heights (City), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 22, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or

payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. We are in agreement with the adjusting journal entries you have proposed, if any, and they will be posted.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the City Council or summaries of actions of recent meetings as listed below:
 - i. May 8, 2017 – Regular Workshop Meeting
 - ii. May 22, 2017 – Special Meeting
 - iii. May 22, 2017 – Regular Meeting
 - iv. June 12, 2017 – Regular Workshop Meeting
 - v. June 26, 2017 – Regular Meeting
 - vi. June 28, 2017 – Joint Workshop Meeting
 - vii. July 10, 2017 – Regular Workshop Meeting
 - viii. July 24, 2017 – Regular Meeting
 - ix. August 28, 2017 – Regular Meeting
 - x. September 11, 2017 – Regular Workshop Meeting
 - xi. September 25, 2017 – Regular Meeting
 - xii. October 9, 2017 – Regular Workshop Meeting
 - xiii. November 13, 2017 – Regular Workshop Meeting
 - xiv. November 27, 2017 – Regular Meeting
 - xv. December 11, 2017 – Regular Workshop Meeting
 - xvi. January 8, 2018 – Regular Workshop Meeting
 - xvii. January 22, 2018 – Regular Meeting
 - xviii. February 12, 2018 – Regular Workshop Meeting
 - xix. February 26, 2018 – Regular Meeting
 - xx. March 5, 2018 – Special Budget Meeting
 - xxi. March 12, 2018 – Regular Workshop Meeting
 - xxii. March 26, 2018 – Regular Meeting

- xxiii. April 9, 2018 – Regular Workshop Meeting & Budget Public Hearing
- xxiv. April 23, 2018 – Regular Meeting
- xxv. May 14, 2018 – Regular Workshop Meeting
- xxvi. May 29, 2018 – Regular Meeting
- xxvii. June 11, 2018 – Regular Meeting
- xxviii. June 25, 2018 – Regular Meeting
- xxix. July 9, 2018 – Regular Meeting
- xxx. July 16, 2018 – Special Meeting
- xxxi. July 23, 2018 – Agenda Only

12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
22. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27. As part of your audit, you prepared the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
28. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
31. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
32. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
33. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
34. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
35. Provisions for uncollectible receivables have been properly identified and recorded.

36. Expenses have been appropriately classified in or allocated to functions and programs in the Statement of Activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the Statement of Activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
41. We are not aware of any current or anticipated losses in excess of our insurance coverage for which we would be financially liable.
42. The City meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
43. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
44. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
45. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
46. With respect to the supplemental financial information we acknowledge our responsibility for presenting the supplemental financial information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplemental financial information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplemental financial information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplemental information.
47. We agree with the findings of specialists in evaluating the City's accrued pension liability and OPEB liability and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

48. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____



City of Prospect Heights, Illinois

Comprehensive Annual Financial Report

Year End April 30, 2018



Prepared by:
The Finance Department

CITY OF PROSPECT HEIGHTS, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED APRIL 30, 2018

PREPARED BY:
FINANCE DEPARTMENT

CITY OF PROSPECT HEIGHTS, ILLINOIS
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INTRODUCTORY SECTION



October 29, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the City of Prospect Heights (City) for the year ended April 30, 2018 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 Eder Casella & Co, 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, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent 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, 2018 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.

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 16,256 (2010 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 tax receipts for the calendar year ended December 31, 2017 were \$1,072,834 compared to \$915,431 for the previous year, an increase of 17.2%.



The City of Prospect Heights' average unemployment rate for fiscal year 2018 was 3.7%, which was .1% higher than the 3.6% average rate for the state. The City of Prospect Heights had a median family income of \$62,013, as of the 2010-14 Census, which was 8.48% higher than the State of Illinois average and 8.87% greater than the national average.

For fiscal year 2018, the City issued 791 construction permits (residential and commercial) valued at \$9.8 million, as compared to 834 permits the previous year with a value of \$24 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 a slight decrease in this activity that accounts for the decrease in permit activity, but at a lesser construction value. 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 2018-2019 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, 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 FY2018, 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 2018 are the following initiatives and accomplishments:

Administration

- Developed competitive request for Proposal Process for Multi-Year Solid Waste and Recycling Service
- Completed Police Sergeant labor agreement with Metropolitan Alliance of Police
- Developed agreement terms with Metropolitan Water Reclamation District for Willow Road Storm Water Management Improvement
- Delivered 2018-2023 Capital Improvement Plan
- Implemented Express Bill Pay System

Building and Community Development Department

- The Bridge Church, 302 E. Euclid Ave: This was a \$4.1 million dollar new construction 350 seat church on the City's south side. The project was completed and received occupancy in March of 2018.
- Thorntons Convenience Store and Fueling Station-Thorntons received an extension to their building permit due to delays in receiving IDOT and Cook County Highway approvals. The project has been delayed until FY 19 for construction and FY 20 for occupancy.
- New Businesses: Several new restaurants and commercial establishments opened in FY 2018. New business openings: Tap House Grill and Bar, Sweet & Savory Crepe, Elsie's Place and Ruben's Bar and Grill.
- Plaza Drive Reconstruction: Plaza Dr. is a private roadway that is in a state of disrepair and deterioration. Staff has been working with the owners of the private road to initiate reconstruction. During the research and review process, the City discovered that they were the owners of a portion of the southern half of Plaza Dr. Plans are in the works for City participation in reconstruction and will be taking the roadway through a dedication/donation of the property. The reconstruction of the roadway will be completed as part of the City's road program in FY20.



- Business License Consolidation: The Building Department initiated a review and consolidation of all the various business licensing processes in FY 18. A singular invoice was sent to businesses for all types of licenses, including business license registration, liquor licenses, food service establishment, vending, gaming and annual inspections. The process identified an additional 40 businesses that had not been previously licensed. The program is being migrated to the City's financial system for FY19.
- Multi-family Rental Inspection Program: The department had a 99% compliance with the rental inspection program during FY18. Only one property owner failed to pay for their annual registration and complete the required inspection.

Engineering

- Completed pavement condition rating survey for all City owned streets.
- Completed 15 year capital improvement program for rehabilitation of all City owned streets.
- Completed bid documents and award of contract for sewer televising of 50% of City owned sanitary sewers.
- Completed bid documents and award of contract for smoke testing of 10% of City owned sanitary sewers.
- Secured \$75,000 grant from Invest in Cook County for Wolf Road sidewalk Phase I design project.
- Assisted the U.S. Army Corps of Engineers and Illinois Department of Natural Resources for Levee 37 Letter of Map Revision. A conditional letter of map revision was approved in June of 2018.

Police Department

- Conducted a Promotional Testing Process for the position of Sergeant which will be good through January 28, 2021
- Continued to work with Northwest Central Dispatch in new Computer Aided Dispatch (CAD) and Records Management System (RMS) with an implementation date of 2019.
- Began upgrading hardware and software to accommodate new RMS/CAD System.
- Implemented State of Illinois training requirements for Civil Rights, Implicit Bias, Cultural Competency, Human Rights, Mental Health Awareness, Domestic/Sexual Violence and Use of Force department wide.



- Conducted a Bid process for Police Tow Services, which consolidated services and lowered costs for the effected parties.
- Replaced two officers, promoted one officer to a vacant Sergeant's position

Public Works Department

- Completed parking lot light upgrade at Metra station to reduce power consumption.
- Completed hydrant flow, pressure, and function testing for our fresh water system - passed the 2018 ISO evaluation.
- Finished required improvements on our water system and complied with the 2018 IEPA inspections.
- Advanced training completed by crew for improving environmental impact of snow and ice control.
- Worked with the Natural Resource Committee to develop a plan for residential enjoyment of the Hillcrest lake / Slough area.
- Worked with engineering to complete the 2018 plan for roadway improvements.

Finance

- Continued collection program of 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
- Approved the budget for fiscal year ending April 30, 2019 by the City Council and filed with the Cook County Clerk's office within the required time frame.
- Performed regular budgetary reviews to provide improved monitoring of the City's financial position

Population Projections

As reported in the 2010 Census, the City had a population of 16,256, which reflected a decrease of 4.8%, or 825 people, as compared to the 2000 Census. This decline in population will reduce 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 (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Prospect Heights for its comprehensive annual financial report for the year ended April 30, 2018. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the finance department, as well as the police, building and zoning, public works, engineering, and water departments that provided required operational and capital assets data for the statistical section. The members of these departments have our sincere appreciation for the contributions made in preparation of this report.

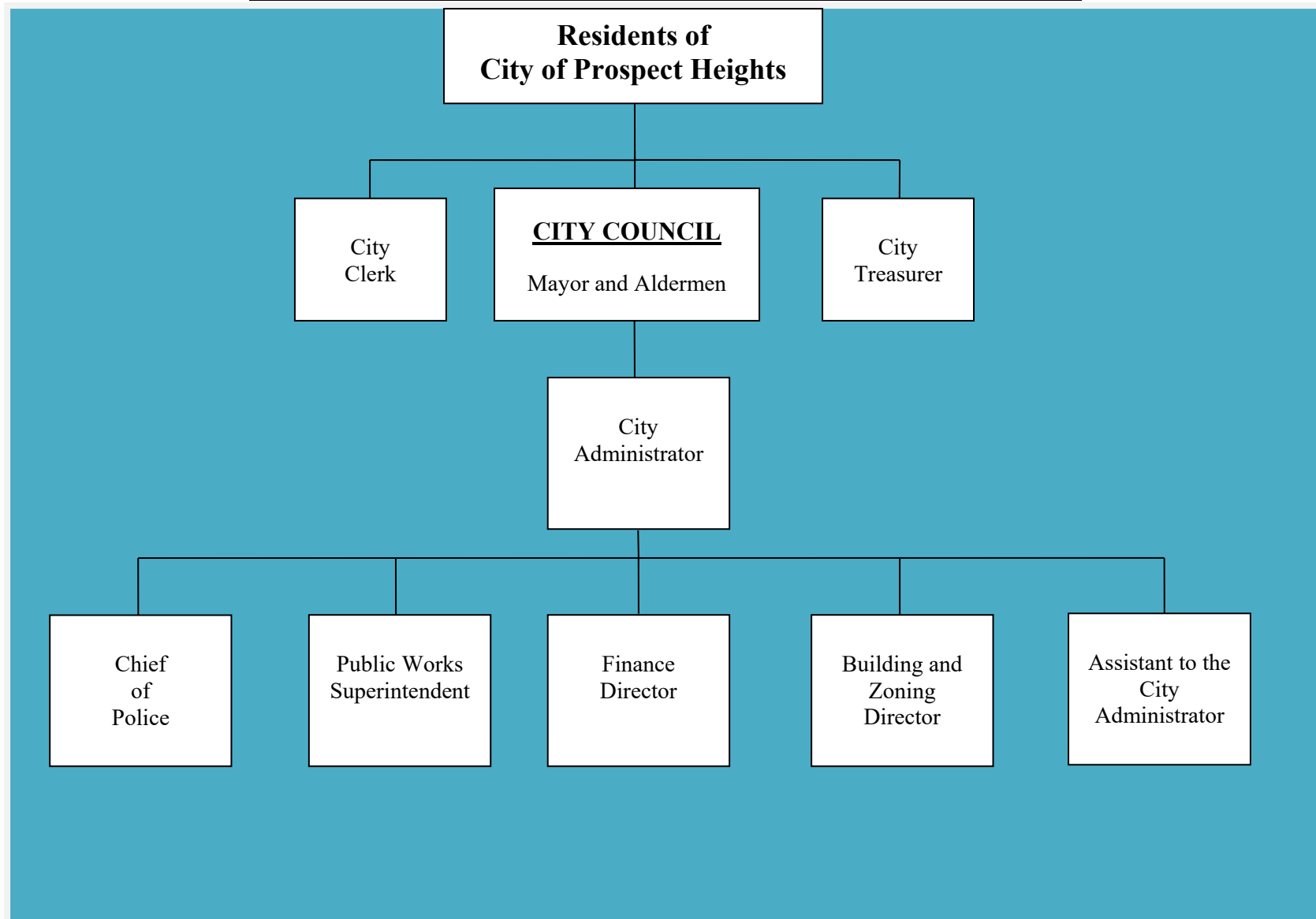
In closing, without the leadership and support of the Mayor and City Council, the preparation of this report would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael DuCharme'. The signature is fluid and stylized, with a long horizontal stroke at the end.

Michael DuCharme
Finance Director

CITY OF PROSPECT HEIGHTS, ILLINOIS
Organizational Chart
April 30, 2018





Government Finance Officers Association

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

Presented to

**City of Prospect Heights
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF PROSPECT HEIGHTS, ILLINOIS
PRINCIPAL OFFICIALS
APRIL 30, 2018

CITY COUNCIL

Nicholas J. Helmer, Mayor

Lora L. Messer, Alderman

Matthew Dolick, Alderman

Patrick Ludvigsen, Alderman

Scott Williamson, Alderman

Lawrence Rosenthal, Alderman

Wendy Morgan-Adams, City Clerk

Richard Tibbits, City Treasurer

ADMINISTRATION

Joe Wade, City Administrator

Chief of Police Al Steffen
Building and Zoning Director Dan Peterson
Finance Director Michael DuCharme
Public Works Superintendent Mark Roscoe

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Prospect Heights as of April 30, 2018, 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.

Change in Accounting Principle

As described in Note 20 to the financial statements, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information on pages 4 through 10 and 56 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements

The supplemental 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
October 29, 2018

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2018

As management of City of Prospect Heights (City), we offer readers of the City's statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information found in the Transmittal Letter, which can be found in the Introductory Section, and the City's financial statements and footnotes, immediately following this MD&A.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceed its liabilities and deferred inflows of resources at April 30, 2018 by \$77,840,680 (total net position).
- The City's total net position increased by \$2,144,218 from current year activities, which includes a net position adjustment of \$(1,666,291) related to the early implementation of GASB 75 per Note 20 on page 38.
- At April 30, 2018, the City's governmental funds reported combined ending fund balances of \$20,117,660, an increase from current year activities of \$3,845,662.
- At April 30, 2018, the unassigned fund balance for the General Fund was \$2,427,037, or 27 percent of total General Fund expenditures.
- The City's total general long-term debt decreased by \$1,767,666, primarily due to the scheduled payments on general obligation debt, the Tax Increment Financing note and Special Service Area Bonds. Long-term debt from business-type activities decreased \$55,000 due to regularly scheduled payments on general obligation debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Both perspectives (government-wide and fund level financial statements) 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.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference amongst those being reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating when comparing year to year results.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are

intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety and public works. The business-type activities of the City include water, sewer and parking funds.

The government-wide financial statements can be found on pages 11 and 12 of this report.

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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 17 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Development Fund, Capital Projects Fund and Road Construction Debt Fund, all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation labeled "nonmajor governmental funds".

The basic governmental fund financial statements can be found on pages 13 through 16 of this report.

Proprietary Funds. There are two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Water, Sewer, and Parking activities. The City included the Airport Fund as a separate proprietary fund in prior years. The City now includes the Chicago Executive Airport as an asset in the governmental activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and parking activities.

The basic proprietary fund financial statements can be found on pages 17 through 19 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Police Pension Fund is the City's only fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 55 of this report.

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. Required supplementary information can be found beginning on page 56 of this report.

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 FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$77,840,680 at April 30, 2018.

28 percent of the City's net position reflects its net investment in capital assets (e.g., land, construction in progress, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Prospect Heights' Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
Assets						
Current and Other Assets	\$ 84,320,756	\$ 64,510,416	\$ 3,302,974	\$ 1,724,051	\$ 87,623,730	\$ 66,234,467
Capital Assets	31,711,922	32,786,115	3,935,418	4,077,935	35,647,340	36,864,050
Total Assets	\$ 116,032,678	\$ 97,296,531	\$ 7,238,392	\$ 5,801,986	\$ 123,271,070	\$ 103,098,517
Deferred Outflows of Resources	\$ 2,308,712	\$ 2,469,583	\$ 23,611	\$ 70,840	\$ 2,332,323	\$ 2,540,423
Liabilities						
Current Liabilities	\$ 17,741,252	\$ 862,064	\$ 1,058,381	\$ 27,711	\$ 18,799,633	\$ 889,775
Noncurrent Liabilities	24,859,553	25,388,221	485,207	614,338	25,344,760	26,002,559
Total Liabilities	\$ 42,600,805	\$ 26,250,285	\$ 1,543,588	\$ 642,049	\$ 44,144,393	\$ 26,892,334
Deferred Inflows of Resources	\$ 3,562,595	\$ 3,049,032	\$ 55,725	\$ 1,112	\$ 3,618,320	\$ 3,050,144
Net Position						
Net Investment in Capital						
Assets	\$ 18,303,531	\$ 18,110,058	\$ 3,480,418	\$ 3,567,935	\$ 21,783,949	\$ 21,677,993
Restricted	4,578,961	3,039,842	-	-	4,578,961	3,039,842
Unrestricted	49,295,498	49,316,897	2,182,272	1,661,730	51,477,770	50,978,627
Total Net Position	\$ 72,177,990	\$ 70,466,797	\$ 5,662,690	\$ 5,229,665	\$ 77,840,680	\$ 75,696,462

An additional portion of the City's net position, 6 percent, represents resources that are subject to external restrictions on how they may be used (e.g. debt service, streets and highways, and special service area improvements). The remaining balance of unrestricted net position was \$51,477,770 at April 30, 2018.

Governmental Activities. Governmental activities increased the City's net position by \$3,377,484. Key differences from the prior year are as follows:

	City of Prospect Heights' Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Revenues						
Program Revenues						
Charges for Services	\$ 3,040,919	\$ 3,127,056	\$ 1,698,092	\$ 1,145,387	\$ 4,739,011	\$ 4,272,443
Operating Grants and Contributions	1,264,463	1,088,026	-	-	1,264,463	1,088,026
General Revenues						
Property Taxes	3,863,343	2,606,246	-	-	3,863,343	2,606,246
All Other Taxes	6,318,014	5,866,095	-	-	6,318,014	5,866,095
Investment Income	111,322	42,524	16,111	5,076	127,433	47,600
Other	78,241	21,784	7,343	-	85,584	21,784
Total Revenues	<u>\$ 14,676,302</u>	<u>\$ 12,751,731</u>	<u>\$ 1,721,546</u>	<u>\$ 1,150,463</u>	<u>\$ 16,397,848</u>	<u>\$ 13,902,194</u>
Expenses						
General Government	\$ 3,433,291	\$ 2,861,594	\$ -	\$ -	\$ 3,433,291	\$ 2,861,594
Public Safety	5,627,109	5,317,950	-	-	5,627,109	5,317,950
Public Works	2,162,147	1,979,107	-	-	2,162,147	1,979,107
Interest	546,271	527,668	-	-	546,271	527,668
Water	-	-	644,927	619,237	644,927	619,237
Sewer	-	-	95,557	81,023	95,557	81,023
Parking	-	-	78,037	54,868	78,037	54,868
Total Expenses	<u>\$ 11,768,818</u>	<u>\$ 10,686,319</u>	<u>\$ 818,521</u>	<u>\$ 755,128</u>	<u>\$ 12,587,339</u>	<u>\$ 11,441,447</u>
Excess of Revenues Over Expenses						
Before Transfers	\$ 2,907,484	\$ 2,065,412	\$ 903,025	\$ 395,335	\$ 3,810,509	\$ 2,460,747
Transfers	470,000	426,000	(470,000)	(426,000)	-	-
Increase/(Decrease) in Net Position	<u>\$ 3,377,484</u>	<u>\$ 2,491,412</u>	<u>\$ 433,025</u>	<u>\$ (30,665)</u>	<u>\$ 3,810,509</u>	<u>\$ 2,460,747</u>
Net Position - Beginning of Year	70,466,797	67,975,385	5,229,665	5,260,330	75,696,462	73,235,715
Restatement	(1,666,291)	-	-	-	(1,666,291)	-
Net Position - End of Year	<u>\$ 72,177,990</u>	<u>\$ 70,466,797</u>	<u>\$ 5,662,690</u>	<u>\$ 5,229,665</u>	<u>\$ 77,840,680</u>	<u>\$ 75,696,462</u>

The most significant change in revenues in the current year was a general overall increase in the property tax revenue.

Business-Type Activities. Business-type activities increased the City's net position by \$433,025.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At April 30, 2018, the City's governmental funds reported combined ending fund balances of \$20,117,660, an increase of \$3,845,662 in comparison with the prior year. Approximately 3 percent of this total amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The total remaining fund balance is as follows: \$5,094,071 nonspendable, \$4,578,961 restricted, \$2,142,524 committed and \$7,650,743 assigned.

The General Fund is the chief operating fund of the City. At April 30, 2018, the fund balance of the General Fund was \$9,621,628, of which \$2,427,037 is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 27 percent of total General Fund expenditures.

Other significant highlights in the governmental funds for the year ended April 30, 2018 are outlined below:

- Debt service expenses of \$2,250,237 were paid to meet the debt service requirements of the City.
- The General Fund's fund balance decreased by \$5,674,220 during the year ended April 30, 2018. This decrease include the transfer of \$7,650,743 to the Capital Projects Fund for future capital improvements to the City.
- The value of the land held for resale in the Development Fund was adjusted to fair market value, an increase of \$534,500.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Fiduciary Fund (Police Pension Fund). At April 30, 2018, the Police Pension Fund's net position amounted to \$16,044,528. Additions exceeded deductions during the year, resulting in an increase of \$1,605,447 in net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund actual revenue exceeded budgeted revenue by \$1,215,116. This difference was primarily due to more than expected revenues from reimbursements and public safety charges for services. Actual expenditures exceeded budgeted expenditures by \$205,152. During fiscal year 2018, the City amended its General Fund budget. The table below reflects the original and final amended budget for the General Fund.

City of Prospect Heights General Fund Budgetary Changes For Fiscal Year 2018

	Original Budget	Final Budget	Actual
Revenues	\$ 7,649,453	\$ 7,935,877	\$ 9,150,993
Expenditures	9,756,569	8,672,069	8,877,221
Other Financing Sources (Uses)	1,345,151	(5,928,192)	(5,947,992)
Change in Fund Balance	<u>\$ (761,965)</u>	<u>\$ (6,664,384)</u>	<u>\$ (5,674,220)</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of April 30, 2018 amounts to \$35,647,340 (net of accumulated depreciation). This investment includes Land, Buildings and improvements, Infrastructure, Water Mains, Water Reservoir, Machinery and Equipment, Office Furniture and Equipment, and Vehicles.

City of Prospect Heights' Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
Land (includes right of way and easements)	\$ 7,805,635	\$ 7,805,635	\$ 102,195	\$ 102,195	\$ 7,907,830	\$ 7,907,830
Buildings and Improvements	6,058,360	6,270,951	844,847	891,099	6,903,207	7,162,050
Infrastructure	16,828,329	17,526,931	-	-	16,828,329	17,526,931
Water Mains	-	-	2,828,427	2,916,774	2,828,427	2,916,774
Water Reservoir	-	-	73,600	78,200	73,600	78,200
Machinery and Equipment	323,115	362,693	64,387	66,550	387,502	429,243
Office Furniture and Equipment	147,952	219,228	-	-	147,952	219,228
Vehicles	548,531	600,677	21,962	23,117	570,493	623,794
Total	<u>\$ 31,711,922</u>	<u>\$ 32,786,115</u>	<u>\$ 3,935,418</u>	<u>\$ 4,077,935</u>	<u>\$ 35,647,340</u>	<u>\$ 36,864,050</u>

Major capital asset events during the year ended April 30, 2018 included the following:

- Additions of \$271,611 to Infrastructure for drainage improvements.
- Additions of \$104,055 to Vehicles for new public safety vehicles.

For further information, please see Note 4 on pages 34 and 35 of this report.

Debt Outstanding. The City's governmental activities had long-term debt of \$13,408,391 as of April 30, 2018. Long-term debt is comprised of general obligation debt, tax increment financing loans, special service area bonds, net pension obligation, compensated absences payable to employees, and other postemployment benefits obligations. For more detail on the City's long-term debt, see Note 5 in the Notes to the Financial Statements on pages 35-37 of this report.

City of Prospect Heights' Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2018	4/30/2017	4/30/2018	4/30/2017	4/30/2018	4/30/2017
General Obligation Bonds	\$ 11,405,000	\$ 12,540,000	\$ 455,000	\$ 510,000	\$ 11,860,000	\$ 13,050,000
Palatine/Milwaukee TIF Note	-	500,000	-	-	-	500,000
Special Service Area Bonds	1,895,000	2,015,000	-	-	1,895,000	2,015,000
Bond Premium	108,391	121,057	-	-	108,391	121,057
Total	<u>\$ 13,408,391</u>	<u>\$ 15,176,057</u>	<u>\$ 455,000</u>	<u>\$ 510,000</u>	<u>\$ 13,863,391</u>	<u>\$ 15,686,057</u>

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, 2018, the total debt applicable to this limit was \$11,513,391, well below the \$34,223,949 set by law.

As of the date of this report, the City Council has approved an ordinance providing for the issuance of Special Service Area #6 Refunding Bonds, Series 2018, not to exceed \$1,975,000 for the purpose of refunding certain outstanding special service area bonds of the City.

OTHER FINANCIAL INFORMATION

The last bonds previously issued were Series 2013. This issue had an Aa3 underlying rating issued by Moody's Investor Services.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Prospect Heights is a non-home rule community which continues to rely on revenues driven by the state of the economy to perform and support its basic services. The City of Prospect Heights continues to be negatively impacted by the State of Illinois budget decisions which carry forward and impact the City's operating budget. The city Council and staff take great pride in the high level of services provided to the community. The City remains committed to maintaining these standards despite past and present fiscal challenges. As in the past departments were held to minimal increases in discretionary line items within their budgets. Departments over the years have learned to be vigilant in their use of limited resources available as well as being innovative with methods of service delivery and with other resources that could be utilized to achieve department goals.

This year the City adopted and approved a revamped and comprehensive Capital Improvement Program (CIP) to address city-managed projects for the next five year period. The City, having limited resources, will continue to evaluate all projects going forward to approve those projects with the highest priority annually and allocate the required funding as needed. The City's water and sewer are evaluated annually. The City's sewer rates were studied and evaluated by an independent third party consultant and rates were approved to provide adequate funding to film and evaluate all of the sewer lines to create an ongoing comprehensive plan for future improvements to the sanitary sewer system.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Michael DuCharme, Finance Director, 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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 16,436,390	\$ 2,642,522	\$ 19,078,912
Prepaid Expenses	120,866	30,278	151,144
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable	894,058	289,381	1,183,439
Property Taxes	1,719,689	-	1,719,689
Intergovernmental	728,107	-	728,107
Other Taxes	47,043	-	47,043
Assets Held for Resale	2,745,000	-	2,745,000
Internal Balances	11,708,083	340,793	12,048,876
Internal Balances - Advances	4,973,205	-	4,973,205
Investment in Joint Venture - Airport	44,948,315	-	44,948,315
Capital Assets			
Capital Assets not Being Depreciated	7,805,635	102,195	7,907,830
Other Capital Assets, Net of Accumulated Depreciation	23,906,287	3,833,223	27,739,510
TOTAL ASSETS	\$ 116,032,678	\$ 7,238,392	\$ 123,271,070
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	\$ 2,308,712	\$ 23,611	\$ 2,332,323
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 2,308,712	\$ 23,611	\$ 2,332,323
LIABILITIES			
Accounts Payable	\$ 450,351	\$ 28,141	\$ 478,492
Accrued Payroll	102,131	2,224	104,355
Accrued Interest	161,743	7,858	169,601
Deposits	124,356	1,800	126,156
Unearned Revenues	124,253	-	124,253
Internal Balances	12,247,337	576,234	12,823,571
Internal Balances - Advances	4,531,081	442,124	4,973,205
Non-Current Liabilities			
Due Within One Year	1,302,666	55,000	1,357,666
Due in More Than One Year	23,556,887	430,207	23,987,094
TOTAL LIABILITIES	\$ 42,600,805	\$ 1,543,588	\$ 44,144,393
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Future Periods	\$ 1,675,272	\$ -	\$ 1,675,272
Deferred Inflows of Resources Related to Pensions	1,887,323	55,725	1,943,048
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 3,562,595	\$ 55,725	\$ 3,618,320
NET POSITION			
Net Investment in Capital Assets	\$ 18,303,531	\$ 3,480,418	\$ 21,783,949
Restricted	4,578,961	-	4,578,961
Unrestricted/(Deficit)	49,295,498	2,182,272	51,477,770
TOTAL NET POSITION	\$ 72,177,990	\$ 5,662,690	\$ 77,840,680

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, 2018

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	\$ 3,433,291	\$ 1,564,725	\$ 898,988	\$ (969,578)	\$ -	\$ (969,578)
Public Safety	5,627,109	1,008,724	364,071	(4,254,314)	-	(4,254,314)
Public Works	2,162,147	467,470	1,404	(1,693,273)	-	(1,693,273)
Interest and Fees on Long-Term Debt	546,271	-	-	(546,271)	-	(546,271)
	<u>\$ 11,768,818</u>	<u>\$ 3,040,919</u>	<u>\$ 1,264,463</u>	<u>\$ (7,463,436)</u>	<u>\$ -</u>	<u>\$ (7,463,436)</u>
Business-Type Activities						
Water	\$ 644,927	\$ 834,767	\$ -	\$ -	\$ 189,840	\$ 189,840
Sewer	95,557	800,312	-	-	704,755	704,755
Parking	78,037	63,013	-	-	(15,024)	(15,024)
	<u>\$ 818,521</u>	<u>\$ 1,698,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 879,571</u>	<u>\$ 879,571</u>
Total Primary Government	<u>\$ 12,587,339</u>	<u>\$ 4,739,011</u>	<u>\$ 1,264,463</u>	<u>\$ (7,463,436)</u>	<u>\$ 879,571</u>	<u>\$ (6,583,865)</u>
General Revenues						
Taxes						
Property Tax, Levied for General Purposes				\$ 3,863,343	\$ -	\$ 3,863,343
State Sales Tax				665,197	-	665,197
State Income Tax				873,443	-	873,443
State Motor Fuel Tax				827,607	-	827,607
Other Taxes				1,153,747	-	1,153,747
Intergovernmental						
Income Tax				1,479,199	-	1,479,199
State Sales Tax				1,121,542	-	1,121,542
Other Intergovernmental Taxes				197,279	-	197,279
Net Change of Investment in Joint Venture - Airport				(549,037)	-	(549,037)
Investment Income				125,859	16,111	141,970
Fair Value adjustment to land held for resale				534,500	-	534,500
Miscellaneous				78,241	7,343	85,584
Transfers				470,000	(470,000)	-
Total General Revenues and Transfers				<u>\$ 10,840,920</u>	<u>\$ (446,546)</u>	<u>\$ 10,394,374</u>
Change in Net Position				\$ 3,377,484	\$ 433,025	\$ 3,810,509
Net Position - May 1, 2017				70,466,797	5,229,665	75,696,462
Net Position Adjustment (Note 20)				<u>(1,666,291)</u>	<u>-</u>	<u>(1,666,291)</u>
Net Position - April 30, 2018				<u><u>\$ 72,177,990</u></u>	<u><u>\$ 5,662,690</u></u>	<u><u>\$ 77,840,680</u></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, 2018

	General Fund	Development Fund	Capital Projects Fund	Road Construction Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 9,490,646	\$ -	\$ -	\$ 1,862,724	\$ 5,083,020	\$ 16,436,390
Prepaid Expenses	115,742	-	-	-	5,124	120,866
Receivables (Net of Allowance for Estimated Uncollectible Amounts)						
Accounts Receivable	780,027	-	-	-	114,031	894,058
Property Taxes	203,832	-	-	772,529	743,328	1,719,689
Intergovernmental	690,893	-	-	-	37,214	728,107
Other Taxes	47,043	-	-	-	-	47,043
Assets Held for Resale	-	2,745,000	-	-	-	2,745,000
Due from Other Funds	3,149,609	2,642	7,650,743	-	905,089	11,708,083
Advances to Other Funds	4,973,205	-	-	-	-	4,973,205
TOTAL ASSETS	\$ 19,450,997	\$ 2,747,642	\$ 7,650,743	\$ 2,635,253	\$ 6,887,806	\$ 39,372,441
LIABILITIES						
Accounts Payable	\$ 380,082	\$ -	\$ -	\$ -	\$ 70,269	\$ 450,351
Accrued Payroll	102,131	-	-	-	-	102,131
Deposits	124,356	-	-	-	-	124,356
Due to Other Funds	8,894,715	-	-	1,010,766	2,341,856	12,247,337
Unearned Revenue	124,253	-	-	-	-	124,253
Advances from Other Funds	-	4,415,000	-	-	116,081	4,531,081
TOTAL LIABILITIES	\$ 9,625,537	\$ 4,415,000	\$ -	\$ 1,010,766	\$ 2,528,206	\$ 17,579,509
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Future Periods	\$ 203,832	\$ -	\$ -	\$ 760,564	\$ 710,876	\$ 1,675,272
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 203,832	\$ -	\$ -	\$ 760,564	\$ 710,876	\$ 1,675,272
FUND BALANCES						
Nonspendable	\$ 5,088,947	\$ -	\$ -	\$ -	\$ 5,124	\$ 5,094,071
Restricted for:						
Public Safety	64,928	-	-	-	574,302	639,230
Debt Service	-	-	-	863,923	245,085	1,109,008
Streets and Highways	-	-	-	-	1,329,670	1,329,670
Tourism	-	-	-	-	332,640	332,640
Special Service Area Improvements	-	-	-	-	745,271	745,271
Palatine Road Tax Increment Financing	-	-	-	-	423,142	423,142
Committed for:						
Operating Reserve	1,195,872	-	-	-	-	1,195,872
Emergency Reserve	844,844	-	-	-	-	844,844
Solid Waste Disposal	-	-	-	-	101,808	101,808
Assigned for:						
Capital Projects	-	-	7,650,743	-	-	7,650,743
Unassigned	2,427,037	(1,667,358)	-	-	(108,318)	651,361
TOTAL FUND BALANCES	\$ 9,621,628	\$ (1,667,358)	\$ 7,650,743	\$ 863,923	\$ 3,648,724	\$ 20,117,660
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 19,450,997	\$ 2,747,642	\$ 7,650,743	\$ 2,635,253	\$ 6,887,806	\$ 39,372,441

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, 2018

Total Fund Balances - Governmental Funds		\$ 20,117,660
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		31,711,922
Investments in joint ventures are not financial resources and therefore are not reported in the funds		
Investment in Chicago Executive Airport		44,948,315
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and Notes Payable	\$ (13,300,000)	
Bond Premiums, net of related amortization	(108,391)	
Accrued Interest on Long-Term Debt	(161,743)	
Compensated Absences	(282,618)	
Net OPEB Liability	(1,904,722)	
Net Pension Liability - Illinois Municipal Retirement Fund	(223,936)	
Net Pension Liability - Police Pension	<u>(9,039,886)</u>	
		(25,021,296)
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.		
Pension Expense/Revenue		<u>421,389</u>
Net Position of Governmental Activities		<u><u>\$ 72,177,990</u></u>

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, 2018

	General Fund	Development Fund	Capital Projects Fund	Road Construction Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local Taxes	\$ 2,648,336	\$ -	\$ -	\$ -	\$ 2,986,036	\$ 5,634,372
Intergovernmental	2,843,082	-	-	1,333,900	717,956	4,894,938
Licenses and Permits	980,328	-	-	-	-	980,328
Fines, Forfeitures and Penalties	655,993	-	-	-	-	655,993
Charges for Services	937,128	-	-	-	467,470	1,404,598
Investment Income	91,375	-	-	5,612	28,872	125,859
Fair Value adjustment to land held for resale	-	534,500	-	-	-	534,500
Miscellaneous	994,751	-	-	-	-	994,751
	<u>\$ 9,150,993</u>	<u>\$ 534,500</u>	<u>\$ -</u>	<u>\$ 1,339,512</u>	<u>\$ 4,200,334</u>	<u>\$ 15,225,339</u>
EXPENDITURES						
Current						
General Government	\$ 2,169,860	\$ -	\$ -	\$ 2,380	\$ 812,543	\$ 2,984,783
Public Safety	5,074,431	-	-	-	23,083	5,097,514
Public Works	905,786	-	-	-	64,437	970,223
Capital Outlay	539,145	-	-	-	7,775	546,920
Debt Service						
Principal	140,000	-	-	995,000	620,000	1,755,000
Interest	47,999	-	-	301,735	145,503	495,237
	<u>\$ 8,877,221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,299,115</u>	<u>\$ 1,673,341</u>	<u>\$ 11,849,677</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 273,772	\$ 534,500	\$ -	\$ 40,397	\$ 2,526,993	\$ 3,375,662
OTHER FINANCING SOURCES/(USES)						
Transfers	(5,947,992)	-	7,650,743	(21,400)	(1,211,351)	470,000
NET CHANGE IN FUND BALANCES	\$ (5,674,220)	\$ 534,500	\$ 7,650,743	\$ 18,997	\$ 1,315,642	\$ 3,845,662
FUND BALANCES - MAY 1, 2017	15,295,848	(2,201,858)	-	844,926	2,333,082	16,271,998
FUND BALANCES - APRIL 30, 2018	<u>\$ 9,621,628</u>	<u>\$ (1,667,358)</u>	<u>\$ 7,650,743</u>	<u>\$ 863,923</u>	<u>\$ 3,648,724</u>	<u>\$ 20,117,660</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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 3,845,662

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	\$ (1,461,663)	
Capital Outlays	<u>387,470</u>	
		(1,074,193)

Long-term debt proceeds provide current financial resources to governmental funds and are therefore shown as revenue in the Statement of Revenues, Expenditures, and Changes in Fund Balance, but issuing debt increases long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Premium on Bonds Sold		12,666
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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	\$ (63,700)	
Pension Expense	(1,829,069)	
OPEB Expense	(15,317)	
Compensated Absences	<u>15,033</u>	
		(1,893,053)

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.

1,280,439

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		1,755,000
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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.

(549,037)

Change in Net Position of Governmental Activities		<u><u>\$ 3,377,484</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, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	Totals
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 2,175,893	\$ 451,687	\$ 14,942	\$ 2,642,522
Prepaid Expenses	26,940	3,338	-	30,278
Accounts Receivable (Net of Allowance of \$44,038 for Estimated Uncollectible Amounts)	88,094	201,287	-	289,381
Due from Other Funds	73,076	256,937	10,780	340,793
	<u>\$ 2,364,003</u>	<u>\$ 913,249</u>	<u>\$ 25,722</u>	<u>\$ 3,302,974</u>
Non-Current Assets				
Capital Assets not Being Depreciated	\$ 102,195	\$ -	\$ -	\$ 102,195
Capital Assets Net of Accumulated Depreciation	3,222,634	-	610,589	3,833,223
	<u>\$ 3,324,829</u>	<u>\$ -</u>	<u>\$ 610,589</u>	<u>\$ 3,935,418</u>
TOTAL ASSETS	<u>\$ 5,688,832</u>	<u>\$ 913,249</u>	<u>\$ 636,311</u>	<u>\$ 7,238,392</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pensions	\$ 19,641	\$ 3,970	\$ -	\$ 23,611
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 19,641</u>	<u>\$ 3,970</u>	<u>\$ -</u>	<u>\$ 23,611</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 17,695	\$ 9,870	\$ 576	\$ 28,141
Accrued Payroll	1,890	334	-	2,224
Accrued Interest	7,858	-	-	7,858
Deposits	1,800	-	-	1,800
Due to Other Funds	391,390	184,844	-	576,234
Compensated Absences	8,547	1,987	-	10,534
General Obligation Debt Payable - Current	55,000	-	-	55,000
	<u>\$ 484,180</u>	<u>\$ 197,035</u>	<u>\$ 576</u>	<u>\$ 681,791</u>
Non-Current Liabilities				
General Obligation Debt Payable (net of current portion shown above)	\$ 400,000	\$ -	\$ -	\$ 400,000
Advances from Other Funds	-	-	442,124	442,124
Net Pension Liability	13,853	5,820	-	19,673
	<u>\$ 413,853</u>	<u>\$ 5,820</u>	<u>\$ 442,124</u>	<u>\$ 861,797</u>
TOTAL LIABILITIES	<u>\$ 898,033</u>	<u>\$ 202,855</u>	<u>\$ 442,700</u>	<u>\$ 1,543,588</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	\$ 46,354	\$ 9,371	\$ -	\$ 55,725
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 46,354</u>	<u>\$ 9,371</u>	<u>\$ -</u>	<u>\$ 55,725</u>
NET POSITION				
Net Investment in Capital Assets	\$ 2,869,829	\$ -	\$ 610,589	\$ 3,480,418
Unrestricted/(Deficit)	1,894,257	704,993	(416,978)	2,182,272
TOTAL NET POSITION	<u>\$ 4,764,086</u>	<u>\$ 704,993</u>	<u>\$ 193,611</u>	<u>\$ 5,662,690</u>

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

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	Totals
OPERATING REVENUES				
Charges for Services	\$ 834,767	\$ 800,312	\$ 63,013	\$ 1,698,092
Total Operating Revenues	<u>\$ 834,767</u>	<u>\$ 800,312</u>	<u>\$ 63,013</u>	<u>\$ 1,698,092</u>
OPERATING EXPENSES				
Operations and Maintenance	\$ 520,731	\$ 95,557	\$ 45,901	\$ 662,189
Depreciation Expense	110,381	-	32,136	142,517
Total Operating Expenses	<u>\$ 631,112</u>	<u>\$ 95,557</u>	<u>\$ 78,037</u>	<u>\$ 804,706</u>
OPERATING INCOME/(LOSS)	<u>\$ 203,655</u>	<u>\$ 704,755</u>	<u>\$ (15,024)</u>	<u>\$ 893,386</u>
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 16,111	\$ -	\$ -	\$ 16,111
Miscellaneous Income	-	7,343	-	7,343
Interest Expense	(13,815)	-	-	(13,815)
Total Nonoperating Revenues (Expenses)	<u>\$ 2,296</u>	<u>\$ 7,343</u>	<u>\$ -</u>	<u>\$ 9,639</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 205,951</u>	<u>\$ 712,098</u>	<u>\$ (15,024)</u>	<u>\$ 903,025</u>
TRANSFERS (TO)/FROM OTHER FUNDS	<u>(242,000)</u>	<u>(197,000)</u>	<u>(31,000)</u>	<u>(470,000)</u>
CHANGE IN NET POSITION	<u>\$ (36,049)</u>	<u>\$ 515,098</u>	<u>\$ (46,024)</u>	<u>\$ 433,025</u>
NET POSITION - MAY 1, 2017	<u>4,800,135</u>	<u>189,895</u>	<u>239,635</u>	<u>5,229,665</u>
NET POSITION - APRIL 30, 2018	<u><u>\$ 4,764,086</u></u>	<u><u>\$ 704,993</u></u>	<u><u>\$ 193,611</u></u>	<u><u>\$ 5,662,690</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, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	Water Fund	Sewer Fund	Nonmajor Enterprise Fund - Parking	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 832,569	\$ 699,981	\$ 62,558	\$ 1,595,108
Payments to Suppliers for Goods and Services	(375,988)	(74,691)	(42,448)	(493,127)
Payments to Employees for Services	(111,747)	(14,967)	-	(126,714)
Payments to Other Funds for Services	455,503	-	-	455,503
Internal Activity - Payments (to)/from Other Funds	(128,226)	(53,678)	(10,780)	(192,684)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 672,111</u>	<u>\$ 556,645</u>	<u>\$ 9,330</u>	<u>\$ 1,238,086</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers (to)/from Other Funds	\$ (242,000)	\$ (197,000)	\$ 778	\$ (438,222)
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ (242,000)</u>	<u>\$ (197,000)</u>	<u>\$ 778</u>	<u>\$ (438,222)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest Paid on Capital Debt, Net of Rebate	\$ (23,310)	\$ -	\$ -	\$ (23,310)
Principal Paid on Capital Debt	(55,000)	-	-	(55,000)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (78,310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,310)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	\$ 16,111	\$ -	\$ -	\$ 16,111
Old Town Sanitary Equity Liquidating Distribution	-	7,343	-	7,343
Net Cash Provided/(Used) by Investing Activities	<u>\$ 16,111</u>	<u>\$ 7,343</u>	<u>\$ -</u>	<u>\$ 23,454</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 367,912</u>	<u>\$ 366,988</u>	<u>\$ 10,108</u>	<u>\$ 745,008</u>
CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2017 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)	<u>1,807,981</u>	<u>84,699</u>	<u>4,834</u>	<u>1,897,514</u>
CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2018 (INCLUDING RESTRICTED CASH AND OVERDRAFTS)	<u><u>\$ 2,175,893</u></u>	<u><u>\$ 451,687</u></u>	<u><u>\$ 14,942</u></u>	<u><u>\$ 2,642,522</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES				
Operating Income/(Loss)	\$ 203,655	\$ 704,755	\$ (15,024)	\$ 893,386
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation Expense	110,381	-	32,136	142,517
Change in assets, liabilities and deferred amounts:				
Receivables, net	(934)	(100,331)	-	(101,265)
Due to / from Other Funds	(64,113)	(238,522)	(10,780)	(313,415)
Prepaid Expenses	(8,673)	(3,338)	3,122	(8,889)
Accounts Payable and Other Payables	415,207	190,727	(124)	605,810
Pension Liabilities	(62,469)	(19,431)	-	(81,900)
Deferred Pension Expenses/Revenues	79,057	22,785	-	101,842
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 672,111</u></u>	<u><u>\$ 556,645</u></u>	<u><u>\$ 9,330</u></u>	<u><u>\$ 1,238,086</u></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, 2018

	POLICE PENSION TRUST FUND
ASSETS	
Cash and Cash Equivalents	\$ 368,223
Investments	14,881,578
Receivables	
Accrued Interest	23,095
Prepaid Expenses	530
Due from Other Funds	780,150
TOTAL ASSETS	<u>\$ 16,053,576</u>
LIABILITIES	
Accounts Payable	\$ 3,593
Due to Other Funds	5,455
TOTAL LIABILITIES	<u>\$ 9,048</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 16,044,528</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, 2018

	<u>POLICE PENSION TRUST FUND</u>
ADDITIONS	
Contributions	
Employer	\$ 1,125,669
Plan Members	209,576
Total Contributions	<u>\$ 1,335,245</u>
Investment Income	
Interest and Dividends	\$ 291,635
Net Increase/(Decrease) in Fair Value of Investments	722,546
	<u>\$ 1,014,181</u>
Less: Investment Management Fees	32,390
Net Investment Income	<u>\$ 981,791</u>
TOTAL ADDITIONS	<u>\$ 2,317,036</u>
DEDUCTIONS	
Benefits	\$ 680,633
Administrative Expenses	30,956
TOTAL DEDUCTIONS	<u>\$ 711,589</u>
NET INCREASE/(DECREASE)	\$ 1,605,447
NET POSITION - RESTRICTED FOR PENSION BENEFITS - MAY 1, 2017	<u>14,439,081</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS - APRIL 30, 2018	<u><u>\$ 16,044,528</u></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, 2018

NOTE 1 - 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 City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the City are discussed below.

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 entities for which the City (the primary entity) 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. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the City's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the City. 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: (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

Using these criteria, the City has determined that the Police Pension Employees Retirement System (PPERS) Fund meets the above criteria. The Police Pension Fund is blended into the City's primary government financial statements as a fiduciary trust fund although it remains a separate legal entity. The PPERS is established for the City's police employees. It functions for the benefit of these employees and

NOTES TO FINANCIAL STATEMENTS (Continued)

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 City and the 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. No separate annual financial report is issued for the PPERS.

In addition, the City is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund (reporting the City's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general government, public safety and public works services are classified as governmental activities. The City's water, sewer and parking services are classified as business-type activities.

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. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual basis, economic resource measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales and income taxes, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues must be directly associated with the function (general government, public safety, public works, etc.) or a business-type activity. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales and income taxes, unrestricted investment earnings, etc.).

The City does not allocate indirect costs to functions in the statement of activities.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

NOTES TO FINANCIAL STATEMENTS (Continued)

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. The emphasis in fund financial statements is on the major funds within the governmental and proprietary categories. 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 and 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 following fund types are used by the City:

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The City reports these governmental funds and fund types:

General Fund (Major)– The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The Road and Building Bond Escrow fund is included in this fund.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal, interest, and related fees on general long-term debt.

NOTES TO FINANCIAL STATEMENTS (Continued)

- Palatine/Milwaukee TIF
- Road Construction Debt (Major) – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs of the City's General Obligation Debt Certificates, Series 2011A and 2012.
- Special Service Area #6 Debt

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

- Development (Major) – used to account for assets held for resale
- Capital Projects (Major) – 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 activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Fund Types

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City reports the following proprietary fund types:

Enterprise Funds – Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

- Water (Major) – accounts for operations of the water system
- Sewer (Major) – accounts for revenues and expenses associated with operating and maintaining the former Old Town Sanitary Sewer City
- Parking

3. Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The City's Fiduciary Fund (Pension Trust Fund as described above) is presented in the Fiduciary Fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants, developers, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements. The Police Pension Fund is the only fiduciary fund.

D. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

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. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in

NOTES TO FINANCIAL STATEMENTS (Continued)

the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on 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, asset, 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.

2. Modified Accrual

The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., 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, after year-end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, claims, judgments, pension expenditures and employee vacation and sick leave, which are recognized when due and payable 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.

E. *Cash and Cash Equivalents and Investments*

Cash and cash equivalents are considered to be all highly liquid investments with an original maturity of three months or less from the date of acquisition.

Investments are stated at fair value, which is the amount at which an investment could be exchange in a current transaction between willing parties. Fair value is determined by quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value

NOTES TO FINANCIAL STATEMENTS (Continued)

are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounts 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. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Receivables*

Receivables are reported net of estimated uncollectible amounts. All receivables on the Balance Sheet are expected to be collected within one year. No property tax receivable allowance is recorded as the City receives approximately 100% of the amount levied.

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.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between 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.

The allowance for water and sewer accounts receivable is for amounts over ninety (90) days uncollectible.

G. *Prepaid Expenses*

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.

H. *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.

I. *Capital Assets*

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;

NOTES TO FINANCIAL STATEMENTS (Continued)

\$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. Contributed assets are reported at acquisition value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. 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 on all assets is provided on the straight-line basis over the following estimated useful lives:

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

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective as of May 1, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets constitute the largest asset class of the City.

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. The cost of property replaces, retired or otherwise disposed of, is deducted from plant accounts and general, together with removal costs less salvage, is charged to accumulated depreciation.

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 propriety fund operations are accounted for the same way as in the government-wide financial statement.

J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

K. *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

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2018 are determined on the basis of current salary rates and include salary related payments.

L. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method, rather than expensed in the current year. Bonds payable are reported net of the applicable bond premium or discount. 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 long-term obligations consist primarily of notes and bond payable, accrued compensated absences, and pension and other post-employment benefit liabilities.

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

M. *Government-Wide and Proprietary Fund Net Position*

Government-wide and proprietary fund net position is divided into three components:

1. Net investment in capital assets – consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
2. Restricted net position – consists of net position that is restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted – all other net position is reported in this category.

N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Any changes to the constraints imposed require the same formal action of the City that originally created the commitment.

3. Assigned – Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor 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.

4. Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. This classification is also used to represent negative fund balances in other funds.

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.

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.

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 10% of budgeted General Fund expenditures.

O. Land Held for Resale

The City's assets held for resale include property that is being held for sale for future development of the City. The assets are valued at fair value.

P. Minimum Fund Balance

The City has adopted a formal minimum fund balance policy.

Emergency Reserve

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 10% 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

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

Operating Reserve

The City will maintain an additional General Fund "Operating Reserve" with an upper goal of an additional fifteen percent (15%) of the actual annual average General Fund revenues for the preceding five fiscal years. The Operating Reserve is intended to be a reserve for unexpected events whose impact exceeds \$500,000 such as failure of the State to remit revenues to the City, unexpected mandates, unexpected loss of State Shared revenues, continuance of critical city services due to unanticipated events, or to offset the unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of the Operating Reserve funds must be approved by the City Council and include a repayment plan that projects to restore the Operating Reserve to the fifteen percent (15%) level within two fiscal years following the fiscal year in which the event occurred.

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 insure 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.

Q. Defining Operating Revenues and Expenses

The City's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the City's Water, Sewer and Parking funds consist of charges for services (including tap fees for the water function and systems development charges for the sewer function) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as non-operating.

NOTES TO FINANCIAL STATEMENTS (Continued)

R. *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.

NOTE 2 - DEPOSITS AND INVESTMENTS

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.

The City is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6, and Chapter 40, Act 5/Article 3 – Pensions. The Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, saving and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios or securities issued or guaranteed by the United States of 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.

Investments

As of April 30, 2018, the City and pension had the following investments and maturities:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
External Investment Pools	\$ 8,026,977	\$ 8,026,977	\$ -	\$ -	\$ -
US Treasury	1,525,597	-	1,335,128	190,469	-
Federal Home Loan Banks	2,479,650	-	2,479,650	-	-
Federal Home Loan Mortgage Corp	7,181	-	7,181	-	-
Corporate Bonds	1,365,268	-	1,173,811	191,457	-
Mutual Funds	9,503,882	9,503,882	-	-	-
	<u>\$ 22,908,555</u>	<u>\$ 17,530,859</u>	<u>\$ 4,995,770</u>	<u>\$ 381,926</u>	<u>\$ -</u>

The City and Police Pension have adopted investment policies. Those policies contain the following 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 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 and Police Pension to meet all operating requirements as they come due. The Police Pension's policy does not limit investment maturities.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 and pensions' investment policy authorizes investments in any type of security allowed for in Illinois statutes regarding the investment of public funds.

As of April 30, 2018, the City's investments were rated as follows:

Investments	Credit Rating	Rating Source
Illinois Funds Investment Pool	AAAm	Standard and Poor's
US Treasury	Aaa	Standard and Poor's
Federal Home Loan Bank	AA+	Standard and Poor's
FHLMC	Aaa	Moody's
Caterpillar Finl SV	A	Standard and Poor's
Oracle Corporation	AA-	Standard and Poor's
Wells Fargo Bank N	A-	Standard and Poor's
Deere & Co.	A	Standard and Poor's
IBM Corp	A+	Standard and Poor's
Chevron Corporation	AA-	Standard and Poor's
JP Morgan Chase	A-	Standard and Poor's
Mutual Funds	Not Rated	N/A

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 type and institution. With the exception of 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. The Police Pension's investment policy does not limit concentration of the portfolio. At April 30, 2018, the pension's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Total Investments
Federal Home Loan Bank	US government and agency securities	10.80%

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. 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. The Police Pension's investment policy does not address deposit custodial credit risk.

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. The police pension's investment policy does not address investment custodial credit risk.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

NOTE 3 - FAIR VALUE MEASUREMENT

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of April 30, 2018:

Investments by fair value level	4/30/2018	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt Securities:			
U.S. Treasury securities	\$ 1,525,597	\$ 1,525,597	\$ -
Corporate bonds	1,365,268	-	1,365,268
Government securities	2,486,831	-	2,486,831
Total Debt Securities	<u>\$ 5,377,696</u>	<u>\$ 1,525,597</u>	<u>\$ 3,852,099</u>
Mutual Funds	<u>\$ 9,503,882</u>	<u>\$ 9,503,882</u>	<u>\$ -</u>
Total Investments by fair value level	<u>\$ 14,881,578</u>	<u>\$ 11,029,479</u>	<u>\$ 3,852,099</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018 was as follows:

	Balance May 1, 2017	Increases	Decreases	Balance April 30, 2018
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 2,206,338	\$ -	\$ -	\$ 2,206,338
Right of ways	5,557,297	-	-	5,557,297
Easements	42,000	-	-	42,000
Total Capital Assets not being depreciated	<u>\$ 7,805,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,805,635</u>
Other Capital Assets				
Building and Improvements	\$ 8,268,401	\$ -	\$ -	\$ 8,268,401
Infrastructure	41,162,724	271,611	-	41,434,335
Machinery and Equipment	645,707	11,804	-	657,511
Office Furniture and Equipment	729,287	-	-	729,287
Vehicles	1,752,753	104,055	-	1,856,808
Total Other Capital Assets at Historical Cost	<u>\$ 52,558,872</u>	<u>\$ 387,470</u>	<u>\$ -</u>	<u>\$ 52,946,342</u>
Less Accumulated Depreciation for:				
Building and Improvements	\$ 1,997,450	\$ 212,591	\$ -	\$ 2,210,041
Infrastructure	23,635,793	970,213	-	24,606,006
Machinery and Equipment	283,014	51,382	-	334,396
Office Furniture and Equipment	510,059	71,276	-	581,335
Vehicles	1,152,076	156,201	-	1,308,277
Total Accumulated Depreciation	<u>\$ 27,578,392</u>	<u>\$ 1,461,663</u>	<u>\$ -</u>	<u>\$ 29,040,055</u>
Other Capital Assets, Net	<u>\$ 24,980,480</u>	<u>\$ (1,074,193)</u>	<u>\$ -</u>	<u>\$ 23,906,287</u>
Governmental Activities Capital Assets, Net	<u>\$ 32,786,115</u>	<u>\$ (1,074,193)</u>	<u>\$ -</u>	<u>\$ 31,711,922</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance May 1, 2017	Increases	Decreases	Balance April 30, 2018
Business-Type Activities				
Capital Assets not being depreciated				
Land	\$ 27,367	\$ -	\$ -	\$ 27,367
Easements	74,828	-	-	74,828
Total Capital Assets not being depreciated	\$ 102,195	\$ -	\$ -	\$ 102,195
Other Capital Assets				
Buildings and Improvements	\$ 1,901,789	\$ -	\$ -	\$ 1,901,789
Water Mains	4,417,245	-	-	4,417,245
Water Reservoirs	230,000	-	-	230,000
Machinery and Equipment	108,137	-	-	108,137
Office Furniture and Equipment	158,381	-	-	158,381
Vehicles	57,795	-	-	57,795
Total Other Capital Assets at Historical Cost	\$ 6,873,347	\$ -	\$ -	\$ 6,873,347
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,010,690	\$ 46,252	\$ -	\$ 1,056,942
Water Mains	1,500,471	88,347	-	1,588,818
Water Reservoir	151,800	4,600	-	156,400
Machinery and Equipment	41,587	2,163	-	43,750
Office Furniture and Equipment	158,381	-	-	158,381
Vehicles	34,678	1,155	-	35,833
Total Accumulated Depreciation	\$ 2,897,607	\$ 142,517	\$ -	\$ 3,040,124
Other Capital Assets, Net	\$ 3,975,740	\$ (142,517)	\$ -	\$ 3,833,223
Business-Type Activities Capital Assets, Net	\$ 4,077,935	\$ (142,517)	\$ -	\$ 3,935,418

Depreciation expense was charged to functions as follows:

Governmental Activities	
General Government	\$ 121,098
Public Safety	194,997
Public Works	1,145,568
Total Governmental Activities Depreciation Expense	<u>\$ 1,461,663</u>
Business-Type Activities	
Water	\$ 110,381
Parking	32,136
Total Business-Type Activities Depreciation Expense	<u>\$ 142,517</u>

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2018 was as follows:

	Balance May 1, 2017	Additions	Retirements	Balance April 30, 2018	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 12,540,000	\$ -	\$ 1,135,000	\$ 11,405,000	\$ 1,165,000
Palatine/Milwaukee TIF Note	500,000	-	500,000	-	-
Special Service Area Bonds	2,015,000	-	120,000	1,895,000	125,000
Unamortized Bond Premium	121,057	-	12,666	108,391	12,666
Total Bonds and Notes Payable	\$ 15,176,057	\$ -	\$ 1,767,666	\$ 13,408,391	\$ 1,302,666
Other Long-Term Liabilities					
Compensated Absences	\$ 297,651	\$ -	\$ 15,033	\$ 282,618	\$ -
Other Post Employment Benefits	223,114	1,786,333	104,725	1,904,722	-
Police Pension Net Pension Liability	8,544,444	495,442	-	9,039,886	-
IMRF Net Pension Liability	1,146,955	572,482	1,495,501	223,936	-
Total Other Long-Term Liabilities	\$ 10,212,164	\$ 2,854,257	\$ 1,615,259	\$ 11,451,162	\$ -
Governmental Activities Long-Term Obligations	\$ 25,388,221	\$ 2,854,257	\$ 3,382,925	\$ 24,859,553	\$ 1,302,666

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance May 1, 2017	Additions	Retirements	Balance April 30, 2018	Amounts Due Within One Year
Business-Type Activities					
Bonds and Notes Payable					
General Obligation Debt	\$ 510,000	\$ -	\$ 55,000	\$ 455,000	\$ 55,000
Total Bonds and Notes Payable	\$ 510,000	\$ -	\$ 55,000	\$ 455,000	\$ 55,000
Other Long-Term Liabilities					
Compensated Absences	\$ 2,765	\$ 7,769	\$ -	\$ 10,534	\$ -
IMRF Net Pension Liability	101,573	32,795	114,695	19,673	-
Total Other Long-Term Liabilities	\$ 104,338	\$ 40,564	\$ 114,695	\$ 30,207	\$ -
Business-Type Activities Long-Term Obligations	\$ 614,338	\$ 40,564	\$ 169,695	\$ 485,207	\$ 55,000

Estimated payments of compensated absences, net pension liability, and other post-employment benefits obligation are not included in the debt service requirements schedules that follow. The compensated absences liability, net pension liability and other post-employment benefits obligation attributable to governmental activities will be liquidated primarily by the General Fund. In the business-type activities, the obligations for the compensated absences will be repaid from the Water Fund.

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 consisted of the following at April 30, 2018:

	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	\$ 970,000
2011A General Obligation Debt	6/29/2011	12/15/2026	2.50% - 4.00%	5,000,000	3,385,000
2012 General Obligation Debt	2/28/2012	12/15/2026	2.00% -2.50%	5,000,000	3,420,000
2013 General Obligation Debt	4/16/2013	12/15/2026	2.00% - 2.35%	5,000,000	3,630,000
Total Governmental Activities - General Obligation Debt				\$ 17,045,000	\$ 11,405,000
Business-Type Activities					
General Obligation Debt					
2010 General Obligation Debt	7/1/2010	12/15/2024	4.00% - 5.20%	\$ 800,000	\$ 455,000
Total Business-Type Activities - General Obligation Debt				\$ 800,000	\$ 455,000

At April 30, 2018 the annual debt service requirements to service general obligation debt are:

Governmental Activities - General Obligation Debt			
Year Ending April 30	Principal	Interest	Total
2019	\$ 1,165,000	\$ 320,757	\$ 1,485,757
2020	1,200,000	290,933	1,490,933
2021	1,240,000	258,567	1,498,567
2022	1,275,000	224,944	1,499,944
2023	1,315,000	188,505	1,503,505
2024 - 2028	5,210,000	376,841	5,586,841
	\$ 11,405,000	\$ 1,660,547	\$ 13,065,547

NOTES TO FINANCIAL STATEMENTS (Continued)

Business-type Activities - General Obligation Debt			
Year Ending April 30	Principal	Interest	Total
2019	\$ 55,000	\$ 21,110	\$ 76,110
2020	60,000	18,910	78,910
2021	60,000	16,390	76,390
2022	65,000	13,750	78,750
2023	70,000	10,760	80,760
2024 - 2028	145,000	11,300	156,300
	<u>\$ 455,000</u>	<u>\$ 92,220</u>	<u>\$ 547,220</u>

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. Special service area bonds at April 30, 2018 consist of the following:

Governmental Activities	Date of Issue	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Special Service Area Bonds					
Special Service Area Bonds	1/29/2009	12/15/2028	3.5% - 6.25%	<u>\$ 2,800,000</u>	<u>\$ 1,895,000</u>

At April 30, 2018 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
2019	\$ 125,000	\$ 112,142	\$ 237,142
2020	135,000	105,517	240,517
2021	140,000	98,363	238,363
2022	150,000	90,383	240,383
2023	160,000	81,833	241,833
2024 - 2028	955,000	255,062	1,210,062
2029 - 2033	230,000	14,375	244,375
	<u>\$ 1,895,000</u>	<u>\$ 757,675</u>	<u>\$ 2,652,675</u>

NOTE 6 - FUND BALANCES

Governmental Funds

Governmental fund balances reported on the fund financial statements at April 30, 2018, include the following:

Nonspendable		Restricted	
Major Funds		Major Funds	
General Fund		General Fund	
Advance to other funds	\$ 4,973,205	Public Safety	\$ 64,928
Prepaid Items	115,742	Road Construction Debt Fund	
Subtotal General Fund	<u>\$ 5,088,947</u>	Debt Service	<u>\$ 863,923</u>
Nonmajor Funds		Nonmajor Funds	
Prepaid Items	5,124	Streets and Highways	\$ 1,329,670
Total	<u>\$ 5,094,071</u>	Special Service Area Improvements	745,271
		Tourism	332,640
		Palatine Road Tax Increment Financing	423,142
		Public Safety	574,302
		Debt Service	245,085
		Subtotal Nonmajor	<u>\$ 3,650,110</u>
		Total	<u>\$ 4,578,961</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Committed		Assigned	
Major Funds		Major Fund	
General Fund		Capital Projects Fund	
Revenue Stabilization	\$ 2,040,716	Capital Purchases	\$ 7,650,743
Nonmajor Fund		Total	
Solid Waste Disposal	101,808		<u>\$ 7,650,743</u>
Total	<u>\$ 2,142,524</u>		
Unassigned			
Major Funds			
General Fund			
Development Fund	\$ 2,427,037		
Sub-total	<u>(1,667,358)</u>		
Nonmajor Funds			
Special Service Area #1	<u>(108,318)</u>		
Total	<u>\$ 651,361</u>		

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end. At April 30, 2018 a deficit fund balance existed in the following funds:

Development	\$ (1,667,358)
Special Service Area #1	<u>(108,318)</u>
	<u>\$ (1,775,676)</u>

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

NOTE 7 - 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.

The PTELA limitation is 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 lesser 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 City property becoming eligible for taxation. The CPI rates applicable to the 2017 and 2016 tax levies were 2.1% and 0.7%, respectively.

NOTE 8 - PROPERTY TAXES

Property taxes for levy year 2018 attach as an enforceable lien on January 1, 2018, 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 2018 tax levy, which attached as an enforceable lien on the property as of January 1, 2018, has not been recorded as a receivable as of April 30, 2018, as the tax has not yet been levied by the City and will not be levied until December 2018, and therefore the levy is not measurable at April 30, 2018.

Tax bills for the levy year 2017 are prepared by the county and issued on or about February 1, 2018 and July 1, 2018, and are payable in two installments, on or about March 1, 2018 and August 1, 2018, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2017 property tax levy is recognized as a receivable and deferred inflows in fiscal 2018, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2018, the

NOTES TO FINANCIAL STATEMENTS (Continued)

property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2017 levy.

A summary of the assessed valuation, rates, and extensions for the years 2017, 2016 and 2015 follows:

Tax Year	2017		2016		2015	
Assessed Valuation	\$396,799,409		\$392,654,852		\$331,784,908	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
Bonds and Interest	0.3437	\$ 1,363,724	0.3468	\$ 1,361,572	0.4107	\$ 1,362,596
Police Pension	0.0888	352,357	0.0871	341,960	0.0955	316,828
Total Taxes Extended	0.4325	\$ 1,716,081	0.4339	\$ 1,703,532	0.5062	\$ 1,679,424
Special Service Area #1	-	\$ -	-	\$ 27,611	-	\$ 27,565
Special Service Area #2	-	\$ -	-	\$ 42,222	-	\$ 42,222
Special Service Area #3	-	\$ -	-	\$ 25,750	-	\$ 24,823
Special Service Area #4	-	\$ -	-	\$ 41,217	-	\$ 41,217
Special Service Area #5	-	\$ 25,750	-	\$ 62,934	-	\$ 62,934
Special Service Area #6	-	\$ 249,284	-	\$ 250,428	-	\$ 251,216
Special Service Area #8	-	\$ 128,916	-	\$ 225,055	-	\$ 218,566
TIF - Palatine Road	-	\$ 112,729	-	\$ 140,625	-	\$ -
TIF - Palatine / Milwaukee	-	\$ 954,306	-	\$ 1,120,164	-	\$ 295,994

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

The City controls expenditures at the department level. For the year ended April 30, 2018, the following governmental funds had expenditures that exceeded the budget.

Fund	Budget	Actual	Excess of Actual Over Budget
Solid Waste Disposal	\$ 313,607	\$ 342,378	\$ 28,771
Tourism	464,693	465,862	1,169
General	8,672,069	8,877,221	205,152

NOTE 10 - OPERATING LEASES

The City leases a parking lot under an operating lease. Total lease expense for fiscal year 2018 was \$21,000.

Annual requirements to cover outstanding lease payments at April 30, 2018 are:

YEAR ENDING APRIL 30	TOTAL PAYMENTS
2019	\$ 18,000
2020	18,000
2021	18,000
2022	18,000
2023	18,000
2024	18,000
	<u>\$ 108,000</u>

NOTE 11 - 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 established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual 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, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	41
Inactive plan members entitled to but not yet receiving benefits	37
Active plan members	18
Total	<u>96</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

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 2017 was 12.58%. For the fiscal year ended April 30, 2018, the City contributed \$167,811 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 Liability

The components of the net pension liability of the IMRF as of December 31, 2017, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$	11,079,784
IMRF Fiduciary Net Position		10,836,175
City's Net Pension Liability		243,609
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability		97.80%

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, 2017 using the following actuarial methods and assumptions:

Assumptions	
Price Inflation	2.50%
Salary Increases	3.39% - 14.25% including inflation
Interest Rate	7.50%
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2017:

Asset Class	Target Allocation	Projected Return
Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Fixed Income	28.00%	3.00%
Real Estate	9.00%	5.75%
Alternatives	7.00%	
Private Equity		7.35%
Hedge Funds		5.05%
Commodities		2.65%
Cash	1.00%	2.25%
	<u>100.00%</u>	

Single Discount Rate

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 contribution rates and the member rate. 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 discount rate, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.31%; and resulting single discount rate is 7.50%.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at December 31, 2016	\$ 11,083,814	\$ 9,835,286	\$ 1,248,528
Changes for the year:			
Service Cost	\$ 162,911	\$ -	\$ 162,911
Interest on the Total Pension Liability	817,631	-	817,631
Differences Between Expected and Actual			
Experience of the Total Pension Liability	(118,190)	-	(118,190)
Changes of Assumptions	(339,343)	-	(339,343)
Contributions - Employer	-	175,762	(175,762)
Contributions - Employee	-	62,872	(62,872)
Net Investment Income	-	1,680,456	(1,680,456)
Benefit Payments, including Refunds of Employee Contributions	(527,039)	(527,039)	-
Other (Net Transfer)	-	(391,162)	391,162
Net Changes	\$ (4,030)	\$ 1,000,889	\$ (1,004,919)
Balances at December 31, 2017	\$ 11,079,784	\$ 10,836,175	\$ 243,609

NOTES TO FINANCIAL STATEMENTS (Continued)

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 7.50%, 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 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Net Pension Liability	\$ 1,448,625	\$ 243,609	\$ (752,535)

Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2018, the City recognized pension expense/(income) of \$593,989. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 91,739	\$ 59,642	\$ 32,097
Changes of assumptions	-	175,028	(175,028)
Net difference between projected and actual earnings on pension plan investments	278,876	774,634	(495,758)
Total deferred amounts to be recognized in pension expense in future periods	\$ 370,615	\$ 1,009,304	\$ (638,689)
Pension contributions made subsequent to the measurement date	57,036	-	57,036
Total deferred amounts related to pensions	\$ 427,651	\$ 1,009,304	\$ (581,653)

Contributions made after the measurement date of the net pension liability but before the end of the employer's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows of Resources
2018	\$ (198,518)
2019	(64,061)
2020	(182,453)
2021	(193,657)
2022	-
Thereafter	-
	<u>\$ (638,689)</u>

NOTE 12 - POLICE PENSION PLAN

Plan Description

Full-time police sworn personnel of the City are covered by The Police Pension Plan (Plan), which is a defined benefit single-employer pension plan. Although this is a single-member 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

As provided for in the Illinois Compiled Statutes, the Plan provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees fired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with at least 10 years or more of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one half the annual unadjusted percentage increase in the CPI, whichever is less.

Plan Membership

Membership in the Plan consisted of the following at April 30, 2018 the date of the most recent actuarial evaluation:

Retirees and beneficiaries receiving benefits	13
Terminated plan members entitled to but not yet receiving benef	1
Active plan members	23
Total	<u>37</u>

Contributions

Covered employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The 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, 2018 the City's contribution was 52.93% of covered payroll.

Investment Policy

ILCS limit the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States

NOTES TO FINANCIAL STATEMENTS (Continued)

or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
US Large Cap Equity	12%	8.30%
US Mid Cap Equity	13%	9.30%
US Small Cap Equity	13%	9.30%
Non-US Developed Large Cap Equity Unhedged	12%	8.40%
Emerging Markets Equity Unhedged	15%	10.50%
US Corporate Bonds	6%	4.20%
US Government Fixed Income	5%	3.20%
US Cash	4%	3.00%
Global Real Estate - REITS	12%	8.30%
Commodities - Long Only	7%	4.90%

ILCS limits the Plan's investments in equities to 65% of total assets of the fund. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The Estimated Annual Inflation Rate (CPI) assumption used is 2.50%.

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management firm dated September 26, 2012 in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Plan's target asset allocation as of September 26, 2012 are listed in the table above.

Investment Concentrations

There are no significant investments (other than U.S. Government explicitly and implicitly guaranteed obligations) in any one organization that represent 5.0% or more of the Plan's investments.

Investment Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The net pension liability/(asset) was measured as of April 30, 2018, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date. The components of the net pension liability of the Plan as of April 30, 2018, calculated in accordance with GASB Statement No. 68, were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Total Pension Liability	\$ 25,084,413
Plan Fiduciary Net Position	16,044,527
City's Net Pension Liability	9,039,886
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.96%

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.

Summary of Significant Accounting Policies

The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2018 using the following actuarial methods and assumptions:

Actuarial Valuation Date	May 1, 2018
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Inflation	2.50%
Salary Increases	4.25% - 9.76%
Investment Rate of Return	6.75%
Asset Valuation Method	Market Value

Active mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Retiree mortality follows the L&A Assumption Study for Police 2016. These rates are experience weighted with the raw rates as developed in the RP-2014 Study, with blue collar adjustment and improved generationally using MP-2016 improvement rates.

Disabled mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study for Disabled participants, with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Spouse mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 improvement rates.

The demographic assumptions rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 municipal bond rate.

NOTES TO FINANCIAL STATEMENTS (Continued)

The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2017	\$ 22,983,525	\$ 14,439,081	\$ 8,544,444
Changes for the year:			
Service Cost	\$ 427,205	\$ -	\$ 427,205
Interest on the Total Pension Liability	1,528,417	-	1,528,417
Differences Between Expected and Actual Experience of the Total Pension Liability	1,166,470	-	1,166,470
Changes of Assumptions	(340,571)	-	(340,571)
Contributions - Employer	-	1,125,669	(1,125,669)
Contributions - Employee	-	209,576	(209,576)
Net Investment Income	-	981,790	(981,790)
Benefit Payments, including Refunds of Employee Contributions	(680,633)	(680,633)	-
Administrative Expense	-	(30,956)	30,956
Net Changes	\$ 2,100,888	\$ 1,605,446	\$ 495,442
Balances at April 30, 2018	\$ 25,084,413	\$ 16,044,527	\$ 9,039,886

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 6.75%, 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 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability	\$ 13,059,542	\$ 9,039,886	\$ 5,812,045

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2018, the City recognized pension expense of \$1,267,875. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Expense in Future Periods			
Differences between expected and actual experience	\$ 1,028,098	\$ 175,946	\$ 852,152
Assumption changes	462,606	672,863	(210,257)
Net difference between projected and actual earnings on pension investments	413,968	84,935	329,033
Total deferred amounts to be recognized in pension expense in future periods	\$ 1,904,672	\$ 933,744	\$ 970,928

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Year Ending April 30	Net Deferred Outflows of Resources
2019	\$ 293,656
2020	293,653
2021	(53,169)
2022	100,749
2023	97,972
Thereafter	238,067
	<u>\$ 970,928</u>

NOTE 13 - OTHER POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

Plan Overview

In addition to the retirement plans described in Note 13, the City provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides the following coverage:

Medical Coverage

Eligible retirees may continue coverage into retirement on the City's plan on a pay-all basis. Coverage is also available for eligible dependents on a pay-all basis. Coverage is secondary to Medicare. Coverage for dependents ends at the same time as that for the retiree.

The Plan does not issue a stand-alone financial report.

Eligibility

Employees of the City are eligible for retiree health benefits as listed below:

Regular Plan Tier 1 (Enrolled in IMRF prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service

Regular Plan Tier 2 (Enrolled in IMRF on or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service

Police Plan Tier 1

- At least 50 years old and at least 20 years of credited service

Police Plan Tier 2

- At least 55 years old and at least 10 years of credited service

Membership in the Plan consisted of the following at May 1, 2017, the date of the latest actuarial valuation:

Active employees	34
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees currently receiving benefits	3
Total	<u>37</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Contribution

Benefit provisions are established through personnel policy guidelines and state that eligible retirees and their spouses contribute at established contribution rates. These guidelines may be amended by the action of the governing body. Retired employees may continue in the group health insurance plan at their own expense in accordance with State and Federal requirements. The cost of coverage shall be at the same rate as is established for active employees.

Total OPEB Liability

The City's total OPEB liability was measured as of April 30, 2018, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2017.

Actuarial Assumptions

The total OPEB liability in the May 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.97%
Salary Rate Increase	3.00%

Expected long-term investment rate of return	N/A
Health Care Trend	The initial trend rate is based on the 2018 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.

Retiree Contribution Trend	Same as Health Care Trend Rates
Mortality	RP-2014 Combined Annuitant Mortality Table for males and females.

Disability Rates	These rates are improved generationally using MP-2016 Improvement Rates
Average Retirement Age	IMRF 2017 for IMRF employees, 100% of the L&A Assumption Study for Police 2016.
	IMRF Tier 1: Age 60
	IMRF Tier 2: Age 65
	Police Tier 1: Age 54
	Police Tier 2: Age 55

Termination/Turnover Rates	IMRF 2017 for IMRF employees, 100% of the L&A Assumption Study for Police 2016.
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Starting Per Capita Costs	Annual Adjusted Premiums			
	Under Age 65		Age 65- & Over	
	Retiree	Spouse	Retiree	Spouse
	PPO Plan	\$ 15,820 \$ 18,368	\$ 12,336	\$ 14,323
	HMO Plan	17,416 28,923	13,581	22,554

Blended Premium Rates	Annual Blended Premiums			
	Under Age 65		Age 65- & Over	
	Retiree	Spouse	Retiree	Spouse
	PPO Plan	\$ 7,748 \$ 8,996	\$ 7,748	\$ 8,996
	HMO Plan	8,530 14,166	8,530	14,166

Election at Retirement	30% of active employees are assumed to elect coverage at retirement
Spousal Election	

Of those employees assumed to elect coverage in retirement, 50% are assumed to elect spousal coverage. Female spouses are assumed to be 3 years younger than male spouses.

Retiree Lapse Rate	100% of retirees receiving medical coverage are expected to lapse all coverages at age 65.
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Plan Participation Rate	Of those employees assumed to elect coverage in retirement, it is assumed they will elect coverage in the available medical plans at the following rates:
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	IMRF	Police
HMO Plan	25%	25%
PPO Plan	75%	75%

The actuarial assumptions used in the May 1, 2017 valuation were based on the results of an actuarial experience study for 2016.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 3.97% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 26, 2018.

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, 2017	\$ 1,889,405	\$ -	\$ 1,889,405
Changes for the year:			
Service Cost	\$ 47,111	\$ -	\$ 47,111
Interest on Total OPEB Liability	72,931	-	72,931
Benefit Payments	(104,725)	(104,725)	-
Contributions - Employer	-	104,725	(104,725)
Net Changes	\$ 15,317	\$ -	\$ 15,317
Balances at May 31, 2018	\$ 1,904,722	\$ -	\$ 1,904,722

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% Increase	Valuation Rate	1% Decrease
\$ 1,781,911	\$ 1,904,722	\$ 2,042,569

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)		
1% Increase	Healthcare Cost Valuation Rate	1% Decrease
\$ 2,058,447	\$ 1,904,722	\$ 1,767,348

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

For the fiscal year ended April 30, 2018, the City recognized OPEB expense of \$120,042. At April 30, 2018, the City did not report any deferred outflows of resources or deferred inflows of resources related to OPEB.

NOTES TO FINANCIAL STATEMENTS (Continued)

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (active and retired) in the postretirement plan. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period.

Because this is the first year of implementation of GASB 74/75, the beginning total OPEB liability is based on the same assumptions and data as the ending total OPEB liability. Therefore, there are no differences between actual and expected experience that are being deferred in the current year.

NOTE 14 - INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables at April 30, 2018 consisted of the following:

Due From	Due To	Amount
Nonmajor Governmental Funds	General Fund	\$ 1,801,621
Road Construction Debt Fund	General Fund	1,010,766
Water Fund	General Fund	135,165
Sewer Fund	General Fund	184,962
Police Pension Fund	General Fund	5,455
General Fund	Nonmajor Governmental Funds	905,084
General Fund	Development Fund	2,642
General Fund	Capital Projects Fund	7,120,743
Nonmajor Governmental Funds	Capital Projects Fund	530,000
General Fund	Water Fund	73,076
General Fund	Nonmajor Enterprise Funds	10,780
Water Fund	Sewer Fund	256,937
General Fund	Police Pension Fund	780,150

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) payments between funds are made. The interfund receivables/payables are expected to be repaid within one year with the exception of the interfund balance between the General and the Development Fund. For the Statement of Net Position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

Interfund advances at April 30, 2018 consisted of the following:

Due From	Due To	Amount
Development Fund	General Fund	\$ 4,415,000
Special Service Area #1	General Fund	116,081
Parking	General Fund	442,124

The principal purpose of these advances is to cover cash overdrafts. For the Statement of Net Position, interfund advances which are owed within the governmental activities or business-type activities are netted and eliminated.

Interfund transfers for the year ended April 30, 2018 consisted of the following:

Transfer From	Transfer To	Amount
Road Construction Debt Fund	General Fund	\$ 21,400
Nonmajor Governmental Funds	General Fund	681,351
Nonmajor Governmental Funds	Capital Improvements Fund	530,000
Water Fund	General Fund	242,000
General Fund	Capital Improvements Fund	7,120,743
Nonmajor Enterprise Funds	General Fund	31,000
Sewer Fund	General Fund	197,000

NOTES TO FINANCIAL STATEMENTS (Continued)

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, large transfers were made to fund the new Capital Improvements Fund. For the Statement of Activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The City participated in a public entity risk pool, Illinois Counties Risk Management Trust (ICRMT) 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.

ICRMT was established in 1983 as 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.

NOTE 16 - 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.

NOTE 17 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 8.625% of the most recent available equalized assessed valuation (EAV) of the City. As of April 30, 2018, the statutory debt limit for the City was as follows:

2017 EAV	\$ 396,799,409
	X <u>8.625%</u>
Debt Margin	\$ 34,223,949
Current Debt	<u>11,968,391</u>
Remaining Debt Margin	<u><u>\$ 22,255,558</u></u>

NOTE 18 - 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, 2018, is 3.0873%. 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 \$314,941 for the year ended April 30, 2018. 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.

Summary of Financial Information of Joint Venture

Summary of net position as of April 30, 2018:

Assets	
Current Assets	\$ 6,377,916
Capital Assets	88,770,284
Total Assets	<u>\$ 95,148,200</u>
Liabilities	
Current Liabilities	\$ 845,472
Long-Term Liabilities	4,406,098
Total Liabilities	<u>\$ 5,251,570</u>
Net Position	<u>\$ 89,896,630</u>

Summary of changes in net position for the year ended April 30, 2018:

Total Revenues	\$ 4,485,396
Total Expenses	<u>6,004,352</u>
Net income/(loss) before capital contributions	\$ (1,518,956)
Capital contributions	<u>420,882</u>
Change in net position	\$ (1,098,074)
Net Position, beginning of year	90,994,704
Net position, end of year	<u>\$ 89,896,630</u>

Complete financial statements are available from the Chicago Executive Airport, 1020 South Plant Road, Wheeling, Illinois 60090. At April 30, 2018, the City's proportionate shares of equity and net loss were \$44,948,315 and \$(549,037), respectively. The City made no payments to the Airport for the year ended April 30, 2018, however the City did receive 135,367 in revenue sharing payments from the Airport for the year ended April 30, 2018.

NOTE 19 - 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 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, 2018, total incentive payments were \$164,410.

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

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

Effective for the year ended April 30, 2018, the City has implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus 2017*. These Statements establish financial reporting standards for postemployment benefits other than pension agreements offered by the City. These statements also require additional disclosures about the postemployment benefits other than pensions offered by the City. See Note 14 for additional information.

As a result of the City's early implementation of GASB Statement No. 75, the following net position adjustment was made:

	<u>Net Position</u>
Governmental Activities	
Adjustment to comply with provisions of new GASB 75 Standard for other post employment benefits reporting	<u>\$ (1,666,291)</u>

NOTE 21 - SUBSEQUENT EVENTS

On July 23, 2018, the City Council passed Resolution No. R-18-16 authorizing the issuance of Special Service Area # 6 Bonds, Series 2018 in an amount not to exceed \$1,975,000 for the purpose of refunding certain outstanding special service area bonds.

On August 27, 2018, the City passed Resolution No. R-18-14 authorizing the sale of 25 & 35 Piper Lane for \$2,730,000. This land is held for resale in the Development Fund. The appropriate gain or loss on the sale will be recognized in the April 30, 2019 financial statements.

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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Local Taxes				
Property Tax	\$ 324,862	\$ 324,862	\$ 371,014	\$ 46,152
Local Use	411,277	411,277	357,865	(53,412)
Utility	837,466	852,466	873,443	20,977
Local Sales Tax	269,114	269,114	307,332	38,218
Places for Eating	300,000	280,000	318,595	38,595
Other	306,744	391,744	420,087	28,343
Total Local Taxes	<u>\$ 2,449,463</u>	<u>\$ 2,529,463</u>	<u>\$ 2,648,336</u>	<u>\$ 118,873</u>
Intergovernmental				
Income Tax	\$ 1,641,856	\$ 1,450,000	\$ 1,479,199	\$ 29,199
Grants	11,712	75,780	45,062	(30,718)
State Sales Tax	831,788	990,000	1,121,542	131,542
Personal Property Replacement Tax	1,327	1,327	5,171	3,844
Other	143,000	143,000	192,108	49,108
Total Intergovernmental	<u>\$ 2,629,683</u>	<u>\$ 2,660,107</u>	<u>\$ 2,843,082</u>	<u>\$ 182,975</u>
Licenses and Permits				
Vehicle Stickers	\$ 703,750	\$ 703,750	\$ 787,929	\$ 84,179
Licenses	168,562	168,562	192,399	23,837
Total Licenses and Permits	<u>\$ 872,312</u>	<u>\$ 872,312</u>	<u>\$ 980,328</u>	<u>\$ 108,016</u>
Fines, Forfeitures and Penalties				
Public Safety Fines and Fees	\$ 629,100	\$ 529,100	\$ 655,993	\$ 126,893
Total Fines, Forefeitures and Penalties	<u>\$ 629,100</u>	<u>\$ 529,100</u>	<u>\$ 655,993</u>	<u>\$ 126,893</u>
Charges for Services				
Franchise Fees	\$ 344,500	\$ 344,500	\$ 539,665	\$ 195,165
Building Revenue and Fees	415,850	491,850	44,732	(447,118)
Public Safety Charges for Services	23,100	23,100	352,731	329,631
Total Charges for Services	<u>\$ 783,450</u>	<u>\$ 859,450</u>	<u>\$ 937,128</u>	<u>\$ 77,678</u>
Investment Income				
Investment Income	\$ 17,859	\$ 67,859	\$ 91,375	\$ 23,516
Total Investment Income	<u>\$ 17,859</u>	<u>\$ 67,859</u>	<u>\$ 91,375</u>	<u>\$ 23,516</u>
Miscellaneous				
Reimbursable Income	\$ 248,686	\$ 398,686	\$ 916,510	\$ 517,824
Miscellaneous	18,900	18,900	78,241	59,341
Total Miscellaneous	<u>\$ 267,586</u>	<u>\$ 417,586</u>	<u>\$ 994,751</u>	<u>\$ 577,165</u>
Total Revenues	<u>\$ 7,649,453</u>	<u>\$ 7,935,877</u>	<u>\$ 9,150,993</u>	<u>\$ 1,215,116</u>
EXPENDITURES				
General Government				
City Council and Boards				
Salaries	\$ 34,320	\$ 34,320	\$ 30,015	\$ (4,305)
Pension Benefits	2,065	2,065	2,066	1
Professional Services	2,000	2,000	1,314	(686)
Professional Development	16,700	16,700	13,837	(2,863)
Maintenance Supplies	-	-	1,272	1,272
Other Expenditures	19,500	19,500	24,088	4,588
Total City Council and Boards	<u>\$ 74,585</u>	<u>\$ 74,585</u>	<u>\$ 72,592</u>	<u>\$ (1,993)</u>
Administration				
Salaries	\$ 492,104	\$ 392,104	\$ 368,973	\$ (23,131)
Insurance Benefits	46,477	26,477	27,585	1,108
Pension Benefits	93,949	78,949	70,910	(8,039)
Professional Services	344,743	309,743	480,437	170,694
Communications	60,700	60,700	50,331	(10,369)
Professional Development	10,600	10,600	2,966	(7,634)
Service Charges and Fees	64,000	64,000	69,374	5,374
Other Contractual Services	78,689	78,689	72,373	(6,316)
General Supplies	17,300	17,300	10,754	(6,546)
Printed Materials	600	600	653	53
Other Expenditures	1,100	1,100	276	(824)
Total Administration	<u>\$ 1,210,262</u>	<u>\$ 1,040,262</u>	<u>\$ 1,154,632</u>	<u>\$ 114,370</u>

See Accompanying Independent Auditor's Report

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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES (Continued)				
General Government (Continued)				
Building Department				
Salaries	\$ 301,986	\$ 301,986	\$ 302,800	\$ 814
Insurance Benefits	67,667	67,667	56,337	(11,330)
Pension Benefits	61,998	61,998	60,329	(1,669)
Professional Services	177,300	162,300	156,345	(5,955)
Communications	4,000	4,000	2,986	(1,014)
Professional Development	6,020	6,020	1,309	(4,711)
Other Contractual Services	13,464	13,464	8,247	(5,217)
General Supplies	6,000	6,000	2,648	(3,352)
Printed Materials	2,000	2,000	522	(1,478)
Total Building Department	<u>\$ 640,435</u>	<u>\$ 625,435</u>	<u>\$ 591,523</u>	<u>\$ (33,912)</u>
Reimbursable Expenditures				
Insurance Benefits	\$ 80,039	\$ 80,039	\$ 79,537	\$ (502)
Professional Services	20,000	20,000	20,000	-
General Supplies	8,275	8,275	7,411	(864)
Other Expenditures	156,500	156,500	165,250	8,750
Total Reimbursable Expenditures	<u>\$ 264,814</u>	<u>\$ 264,814</u>	<u>\$ 272,198</u>	<u>\$ 7,384</u>
Grant Expense	<u>\$ 87,084</u>	<u>\$ 87,084</u>	<u>\$ 78,915</u>	<u>\$ (8,169)</u>
Total General Government	<u>\$ 2,277,180</u>	<u>\$ 2,092,180</u>	<u>\$ 2,169,860</u>	<u>\$ 77,680</u>
Public Safety				
Salaries	\$ 2,701,948	\$ 2,701,948	\$ 2,712,644	\$ 10,696
Insurance Benefits	589,429	489,429	485,870	(3,559)
Pension Benefits	1,170,742	1,170,742	1,217,255	46,513
Professional Services	30,200	30,200	28,496	(1,704)
Communications	293,952	293,952	258,948	(35,004)
Professional Development	83,400	83,400	62,375	(21,025)
Service Charges and Fees	-	-	6,745	6,745
Other Contractual Services	229,467	184,967	197,970	13,003
Maintenance Supplies	15,500	15,500	10,551	(4,949)
General Supplies	102,050	102,050	80,490	(21,560)
Printed Materials	1,060	1,060	158	(902)
Other Expenditures	2,800	2,800	12,929	10,129
Total Public Safety	<u>\$ 5,220,548</u>	<u>\$ 5,076,048</u>	<u>\$ 5,074,431</u>	<u>\$ (1,617)</u>
Public Works				
Salaries	\$ 469,891	\$ 469,891	\$ 414,635	\$ (55,256)
Insurance Benefits	115,995	115,995	107,426	(8,569)
Pension Benefits	92,379	92,379	80,718	(11,661)
Maintenance Service	86,000	86,000	53,873	(32,127)
Professional Services	222,000	146,000	79,603	(66,397)
Professional Development	4,000	4,000	2,648	(1,352)
Service Charges and Fees	11,500	11,500	16,004	4,504
Other Contractual Services	80,691	80,691	89,048	8,357
Maintenance Supplies	27,000	27,000	10,202	(16,798)
General Supplies	78,500	78,500	51,629	(26,871)
Total Public Works	<u>\$ 1,187,956</u>	<u>\$ 1,111,956</u>	<u>\$ 905,786</u>	<u>\$ (206,170)</u>
Capital Outlay				
General Government	\$ 43,650	\$ 43,650	\$ 45,963	\$ 2,313
Public Works	699,000	45,000	358,484	313,484
Public Safety	140,205	115,205	134,698	19,493
Total Capital Outlay	<u>\$ 882,855</u>	<u>\$ 203,855</u>	<u>\$ 539,145</u>	<u>\$ 335,290</u>
Debt Service				
Principal	\$ 140,000	\$ 140,000	\$ 140,000	\$ -
Interest	48,030	48,030	47,999	(31)
Total Debt Service	<u>\$ 188,030</u>	<u>\$ 188,030</u>	<u>\$ 187,999</u>	<u>\$ (31)</u>
Total Expenditures	<u>\$ 9,756,569</u>	<u>\$ 8,672,069</u>	<u>\$ 8,877,221</u>	<u>\$ 205,152</u>

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,107,116)	\$ (736,192)	\$ 273,772	\$ 1,009,964
OTHER FINANCING SOURCES/(USES)				
Transfers	<u>1,345,151</u>	<u>(5,928,192)</u>	<u>(5,947,992)</u>	<u>(19,800)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (761,965)</u>	<u>\$ (6,664,384)</u>	\$ (5,674,220)	<u>\$ 990,164</u>
FUND BALANCE - MAY 1, 2017			<u>15,295,848</u>	
FUND BALANCE - APRIL 30, 2018			<u>\$ 9,621,628</u>	

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, 2018

	<u>4/30/2018*</u>	<u>4/30/2017*</u>	<u>4/30/2016*</u>
TOTAL PENSION LIABILITY			
Service Cost	\$ 162,911	\$ 149,243	\$ 141,921
Interest on Total Pension Liability	817,631	745,396	695,680
Differences Between Expected and Actual Experience	(118,190)	571,045	299,316
Changes of Assumptions	(339,343)	(23,563)	11,372
Benefit Payments, Including Refunds of Member Contributions	(527,039)	(497,736)	(452,023)
Net Change in Total Pension Liability	<u>\$ (4,030)</u>	<u>\$ 944,385</u>	<u>\$ 696,266</u>
Total Pension Liability - Beginning	<u>11,083,814</u>	<u>10,139,429</u>	<u>9,443,163</u>
Total Pension Liability - Ending	<u>\$ 11,079,784</u>	<u>\$ 11,083,814</u>	<u>\$ 10,139,429</u>
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 175,762	\$ 189,190	\$ 171,547
Contributions - Member	62,872	98,116	65,806
Net Investment Income	1,680,456	620,021	43,117
Benefit Payments, Including Refunds of Member Contributions	(527,039)	(497,736)	(452,023)
Other (Net Transfer)	(391,162)	612,930	253,636
Net Change in Plan Fiduciary Net Position	<u>\$ 1,000,889</u>	<u>\$ 1,022,521</u>	<u>\$ 82,083</u>
Plan Net Position - Beginning	<u>9,835,286</u>	<u>8,812,765</u>	<u>8,730,682</u>
Plan Net Position - Ending	<u>\$ 10,836,175</u>	<u>\$ 9,835,286</u>	<u>\$ 8,812,765</u>
City's Net Pension Liability	<u>\$ 243,609</u>	<u>\$ 1,248,528</u>	<u>\$ 1,326,664</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.80%	88.74%	86.92%
Covered-Valuation Payroll	\$ 1,397,151	\$ 1,451,961	\$ 1,375,680
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	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.

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

	4/30/2018*	4/30/2017*	4/30/2016*
Actuarially-Determined Contribution	\$ 175,762	\$ 189,191	\$ 171,547
Contributions in relation to Actuarially-Determined Contribution	175,762	189,190	171,547
Contribution deficiency/(excess)	\$ -	\$ 1	\$ -
Covered-Valuation Payroll	\$ 1,342,020	\$ 1,548,073	\$ 1,475,434
Contributions as a percentage of Covered-Valuation Payroll	13.10%	12.22%	11.63%

Notes to Schedule:

Actuarial Method and Assumptions Used on the Calculation of the 2017 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: 26-year closed period

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

Wage Growth: 3.5%

Price Inflation: 2.75%, approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases: 3.75% to 14.50%, including inflation

Investment Rate of Return: 7.50%

Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2014 valuation pursuant to an experience study of the period 2011 to 2013.

Mortality: RP-2014 Blue Collar Healthy Mortality Table, adjusted to match current IMRF experience. For disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Based on Valuation Assumptions used in the December 31, 2015 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.

CITY OF PROSPECT HEIGHTS, ILLINOIS
POLICE PENSION PLAN
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION
LIABILITY AND RELATED RATIOS
APRIL 30, 2018

	4/30/2018	4/30/2017	4/30/2016	4/30/2015
TOTAL PENSION LIABILITY				
Service Cost	\$ 427,205	\$ 428,118	\$ 450,562	\$ 421,779
Interest	1,528,417	1,532,118	1,380,834	1,254,008
Differences Between Expected and Actual Experience	1,166,470	(6,929)	(429,471)	(477,794)
Changes in Assumptions	(340,571)	(621,154)	1,156,506	1,145,952
Benefit Payments, Including Refunds of Member Contributions	(680,633)	(472,067)	(322,396)	(741,886)
Net Change in Total Pension Liability	<u>\$ 2,100,888</u>	<u>\$ 860,086</u>	<u>\$ 2,236,035</u>	<u>\$ 1,602,059</u>
Total Pension Liability - Beginning	<u>22,983,525</u>	<u>22,123,439</u>	<u>19,887,404</u>	<u>18,285,345</u>
Total Pension Liability - Ending	<u>\$ 25,084,413</u>	<u>\$ 22,983,525</u>	<u>\$ 22,123,439</u>	<u>\$ 19,887,404</u>
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 1,125,669	\$ 877,282	\$ 715,486	\$ 671,436
Contributions - Member	209,576	246,043	194,882	178,778
Net Investment Income	981,790	1,056,552	(122,786)	724,207
Benefit Payments, Including Refunds of Member Contributions	(680,633)	(472,067)	(322,396)	(742,462)
Administrative Expenses	(30,956)	(28,861)	(32,766)	(22,575)
Net Change in Plan Fiduciary Net Position	<u>\$ 1,605,446</u>	<u>\$ 1,678,949</u>	<u>\$ 432,420</u>	<u>\$ 809,384</u>
Plan Net Position - Beginning	<u>14,439,081</u>	<u>12,760,133</u>	<u>12,327,713</u>	<u>11,518,329</u>
Plan Net Position - Ending	<u>\$ 16,044,527</u>	<u>\$ 14,439,082</u>	<u>\$ 12,760,133</u>	<u>\$ 12,327,713</u>
City's Net Pension Liability	<u>\$ 9,039,886</u>	<u>\$ 8,544,443</u>	<u>\$ 9,363,306</u>	<u>\$ 7,559,691</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.96%	62.82%	57.68%	61.99%
Covered-Employee Payroll	\$ 2,126,776	\$ 2,059,831	\$ 1,892,749	\$ 1,910,410
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	425.05%	414.81%	494.69%	395.71%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	<u>2018</u> 6.40%	<u>2017</u> 8.31%	<u>2016</u> -1.01%	<u>2015</u> 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.

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

	<u>4/30/2018</u>	<u>4/30/2017</u>	<u>4/30/2016</u>	<u>4/30/2015</u>
Actuarially-Determined Contribution	\$ 820,079	\$ 728,579	\$ 630,932	\$ 630,932
Contributions in relation to Actuarially-Determined Contribution	<u>1,125,669</u>	<u>877,282</u>	<u>715,486</u>	<u>671,436</u>
Contribution deficiency/(excess)	<u>\$ (305,590)</u>	<u>\$ (148,703)</u>	<u>\$ (84,554)</u>	<u>\$ (40,504)</u>
Covered-Employee Payroll	\$ 2,126,776	\$ 2,059,831	\$ 1,892,749	\$ 1,910,410
Contributions as a percentage of Covered-Employee Payroll	52.93%	42.59%	37.80%	35.15%

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.

CITY OF MCHENRY, ILLINOIS
OTHER POST-EMPLOYMENT BENEFIT
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB
LIABILITY AND RELATED RATIOS
APRIL 30, 2018

	<u>4/30/2018*</u>
TOTAL OPEB LIABILITY	
Service Cost	\$ 47,111
Interest	72,931
Benefit Payments	<u>(104,725)</u>
Net Change in Total OPEB Liability	\$ 15,317
 Total OPEB Liability - Beginning	 <u>1,889,405</u>
Total OPEB Liability - Ending	<u>\$ 1,904,722</u>
 OPEB PLAN FIDUCIARY NET POSITION	
Net Change in OPEB Plan Net Position	\$ -
 OPEB Plan Net Position - Beginning	 <u>-</u>
OPEB Plan Net Position - Ending	<u>\$ -</u>
 City's Net OPEB Plan Liability	 <u><u>\$ 1,904,722</u></u>
 OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 0.00%
 Covered-Employee Payroll	 \$ 2,680,815
 Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	 71.05%

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.

CITY OF PROSPECT HEIGHTS, ILLINOIS
OTHER POST EMPLOYMENT BENEFIT
SCHEDULE OF EMPLOYER CONTRIBUTION
APRIL 30, 2018

	<u>4/30/2018*</u>
Actuarially-Determined Contribution	N/A
Contributions in relation to Actuarially-Determined Contribution	<u>-</u>
Contribution deficiency/(excess)	<u><u>N/A</u></u>
Covered-Employee Payroll	\$ 2,680,815
Contributions as a percentage of Covered-Employee Payroll	0.00%

Notes to Schedule:

There is no ADC or employer contribution in relation to ADC, as the total OPEB liabilities are currently an unfunded obligation.

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.

CITY OF PROSPECT HEIGHTS, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
APRIL 30, 2018

NOTE 1 - 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 24, 2017.

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, several budget amendments were approved by the City Council, the last of which was approved on April 9, 2018.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2018, the following fund presented as Required Supplementary Information had expenditures that exceeded the budget.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess of Actual Over Budget</u>
General	\$ 8,672,069	\$ 8,877,221	\$ 205,152

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF PROSPECT HEIGHTS, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018

	Motor Fuel Tax Fund	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	\$ 1,338,979	\$ 56,732	\$ 581,933	\$ 357,152	\$ 21,108	\$ 62,692	\$ 341,338
Receivables (Net of Allowance for Estimated Uncollectible Amounts)							
Property Taxes	-	-	-	-	-	-	-
Intergovernmental	37,214	-	-	-	-	-	-
Accounts Receivable	-	75,488	-	38,543	-	-	-
Prepaid Items	-	3,371	659	-	-	-	-
Due from Other Funds	-	507,413	7,875	389,796	-	-	-
TOTAL ASSETS	\$ 1,376,193	\$ 643,004	\$ 590,467	\$ 785,491	\$ 21,108	\$ 62,692	\$ 341,338
LIABILITIES							
Accounts Payable	\$ -	\$ 3,726	\$ -	\$ -	\$ 13,345	\$ 22,217	\$ 12,283
Due to Other Funds	46,523	303,267	15,506	683,683	-	3,833	5,483
Advances from Other Funds	-	-	-	-	116,081	-	-
TOTAL LIABILITIES	\$ 46,523	\$ 306,993	\$ 15,506	\$ 683,683	\$ 129,426	\$ 26,050	\$ 17,766
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES							
Nonspendable	\$ -	\$ 3,371	\$ 659	\$ -	\$ -	\$ -	\$ -
Restricted for:							
Streets and Highways	1,329,670	-	-	-	-	-	-
Tourism	-	332,640	-	-	-	-	-
Public Safety	-	-	574,302	-	-	-	-
Special Service Area Improvements	-	-	-	-	-	36,642	323,572
Palatine Road Tax Increment Financing	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Committed for:							
Solid Waste Disposal	-	-	-	101,808	-	-	-
Unassigned	-	-	-	-	(108,318)	-	-
TOTAL FUND BALANCES	\$ 1,329,670	\$ 336,011	\$ 574,961	\$ 101,808	\$ (108,318)	\$ 36,642	\$ 323,572
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,376,193	\$ 643,004	\$ 590,467	\$ 785,491	\$ 21,108	\$ 62,692	\$ 341,338

See Accompanying Independent Auditor's Report

CITY OF PROSPECT HEIGHTS, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
APRIL 30, 2018

	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	Palatine / Milwaukee TIF Fund	Total Nonmajor Governmental Funds
ASSETS							
Cash and Investments	\$ 53,232	\$ 137,993	\$ 301,526	\$ 356,182	\$ 423,142	\$ 1,051,011	\$ 5,083,020
Receivables (Net of Allowance for Estimated Uncollectible Amounts)							
Property Taxes	-	-	160,132	14,724	35,385	533,087	743,328
Intergovernmental	-	-	-	-	-	-	37,214
Accounts Receivable	-	-	-	-	-	-	114,031
Prepaid Items	-	438	-	656	-	-	5,124
Due from Other Funds	-	-	-	-	-	5	905,089
TOTAL ASSETS	<u>\$ 53,232</u>	<u>\$ 138,431</u>	<u>\$ 461,658</u>	<u>\$ 371,562</u>	<u>\$ 458,527</u>	<u>\$ 1,584,103</u>	<u>\$ 6,887,806</u>
LIABILITIES							
Accounts Payable	\$ 15,040	\$ 243	\$ -	\$ 3,415	\$ -	\$ -	\$ 70,269
Due to Other Funds	4,200	23,836	113,693	122,520	-	1,019,312	2,341,856
Advances from Other Funds	-	-	-	-	-	-	116,081
TOTAL LIABILITIES	<u>\$ 19,240</u>	<u>\$ 24,079</u>	<u>\$ 113,693</u>	<u>\$ 125,935</u>	<u>\$ -</u>	<u>\$ 1,019,312</u>	<u>\$ 2,528,206</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Property Taxes	\$ -	\$ -	\$ 160,132	\$ 7,820	\$ 35,385	\$ 507,539	\$ 710,876
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,132</u>	<u>\$ 7,820</u>	<u>\$ 35,385</u>	<u>\$ 507,539</u>	<u>\$ 710,876</u>
FUND BALANCES							
Nonspendable	\$ -	\$ 438	\$ -	\$ 656	\$ -	\$ -	\$ 5,124
Restricted for:							
Streets and Highways	-	-	-	-	-	-	1,329,670
Tourism	-	-	-	-	-	-	332,640
Public Safety	-	-	-	-	-	-	574,302
Special Service Area Improvements	33,992	113,914	-	237,151	-	-	745,271
Palatine Road Tax Increment Financing	-	-	-	-	423,142	-	423,142
Debt Service	-	-	187,833	-	-	57,252	245,085
Committed for:							
Solid Waste Disposal	-	-	-	-	-	-	101,808
Unassigned	-	-	-	-	-	-	(108,318)
TOTAL FUND BALANCES	<u>\$ 33,992</u>	<u>\$ 114,352</u>	<u>\$ 187,833</u>	<u>\$ 237,807</u>	<u>\$ 423,142</u>	<u>\$ 57,252</u>	<u>\$ 3,648,724</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 53,232</u>	<u>\$ 138,431</u>	<u>\$ 461,658</u>	<u>\$ 371,562</u>	<u>\$ 458,527</u>	<u>\$ 1,584,103</u>	<u>\$ 6,887,806</u>

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, 2018

	Motor Fuel Tax Fund	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	\$ -	\$ 827,607	\$ -	\$ -	\$ 14,016	\$ 21,987	\$ 13,825
Intergovernmental	415,065	-	302,891	-	-	-	-
Charges for Services	-	-	-	467,470	-	-	-
Investment Income	14,044	1,003	1,732	2,094	44	245	1,585
Total Revenues	<u>\$ 429,109</u>	<u>\$ 828,610</u>	<u>\$ 304,623</u>	<u>\$ 469,564</u>	<u>\$ 14,060</u>	<u>\$ 22,232</u>	<u>\$ 15,410</u>
EXPENDITURES							
Current							
General Government	\$ -	\$ 465,862	\$ -	\$ 342,378	\$ -	\$ -	\$ -
Public Safety	-	-	23,083	-	-	-	-
Public Works	33,479	-	-	-	898	743	2,203
Capital Outlay	-	-	7,775	-	-	-	-
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total Expenditures	<u>\$ 33,479</u>	<u>\$ 465,862</u>	<u>\$ 30,858</u>	<u>\$ 342,378</u>	<u>\$ 898</u>	<u>\$ 743</u>	<u>\$ 2,203</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 395,630	\$ 362,748	\$ 273,765	\$ 127,186	\$ 13,162	\$ 21,489	\$ 13,207
OTHER FINANCING SOURCES/(USES)							
Transfers	-	(359,351)	-	(656,000)	(21,800)	(23,000)	(32,900)
NET CHANGE IN FUND BALANCES	\$ 395,630	\$ 3,397	\$ 273,765	\$ (528,814)	\$ (8,638)	\$ (1,511)	\$ (19,693)
FUND BALANCES - MAY 1, 2017	<u>934,040</u>	<u>332,614</u>	<u>301,196</u>	<u>630,622</u>	<u>(99,680)</u>	<u>38,153</u>	<u>343,265</u>
FUND BALANCES - APRIL 30, 2018	<u>\$ 1,329,670</u>	<u>\$ 336,011</u>	<u>\$ 574,961</u>	<u>\$ 101,808</u>	<u>\$ (108,318)</u>	<u>\$ 36,642</u>	<u>\$ 323,572</u>

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, 2018

	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	Palatine / Milwaukee TIF Fund	Total Nonmajor Governmental Funds
REVENUES							
Local Taxes	\$ 22,860	\$ 63,346	\$ 244,161	\$ 233,664	\$ 422,909	\$ 1,121,661	\$ 2,986,036
Intergovernmental	-	-	-	-	-	-	717,956
Charges for Services	-	-	-	-	-	-	467,470
Investment Income	221	536	1,004	1,229	233	4,902	28,872
Total Revenues	<u>\$ 23,081</u>	<u>\$ 63,882</u>	<u>\$ 245,165</u>	<u>\$ 234,893</u>	<u>\$ 423,142</u>	<u>\$ 1,126,563</u>	<u>\$ 4,200,334</u>
EXPENDITURES							
Current							
General Government	\$ -	\$ -	\$ 1,392	\$ -	\$ -	\$ 2,911	\$ 812,543
Public Safety	-	-	-	-	-	-	23,083
Public Works	608	16,626	-	9,880	-	-	64,437
Capital Outlay	-	-	-	-	-	-	7,775
Debt Service							
Principal	-	-	120,000	-	-	500,000	620,000
Interest	-	-	118,503	2,500	-	24,500	145,503
Total Expenditures	<u>\$ 608</u>	<u>\$ 16,626</u>	<u>\$ 239,895</u>	<u>\$ 12,380</u>	<u>\$ -</u>	<u>\$ 527,411</u>	<u>\$ 1,673,341</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 22,473	\$ 47,256	\$ 5,270	\$ 222,513	\$ 423,142	\$ 599,152	\$ 2,526,993
OTHER FINANCING SOURCES/(USES)							
Transfers	<u>(25,200)</u>	<u>(35,400)</u>	<u>-</u>	<u>(57,700)</u>	<u>-</u>	<u>-</u>	<u>(1,211,351)</u>
NET CHANGE IN FUND BALANCES	\$ (2,727)	\$ 11,856	\$ 5,270	\$ 164,813	\$ 423,142	\$ 599,152	\$ 1,315,642
FUND BALANCES - MAY 1, 2017	<u>36,719</u>	<u>102,496</u>	<u>182,563</u>	<u>72,994</u>	<u>-</u>	<u>(541,900)</u>	<u>2,333,082</u>
FUND BALANCES - APRIL 30, 2018	<u>\$ 33,992</u>	<u>\$ 114,352</u>	<u>\$ 187,833</u>	<u>\$ 237,807</u>	<u>\$ 423,142</u>	<u>\$ 57,252</u>	<u>\$ 3,648,724</u>

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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 - DEVELOPMENT
FOR THE YEAR ENDED APRIL 30, 2018

	<u>Budgeted Amounts Original and Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Income			
Fair Value adjustment to land held for resale	\$ -	\$ 534,500	\$ 534,500
Total Investment Income	<u>\$ -</u>	<u>\$ 534,500</u>	<u>\$ 534,500</u>
Total Revenues	<u>\$ -</u>	<u>\$ 534,500</u>	<u>\$ 534,500</u>
EXPENDITURES			
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 534,500	\$ 534,500
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u>\$ 534,500</u>	<u><u>\$ 534,500</u></u>
FUND BALANCE - MAY 1, 2017		<u>(2,201,858)</u>	
FUND BALANCE - APRIL 30, 2018		<u><u>\$ (1,667,358)</u></u>	

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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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	\$ -	\$ -	\$ -	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES/(USES)				
Transfers	-	7,650,743	7,650,743	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 7,650,743	\$ 7,650,743	\$ -
FUND BALANCE - MAY 1, 2017			-	
FUND BALANCE - APRIL 30, 2018			\$ 7,650,743	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND - ROAD CONSTRUCTION DEBT
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 1,296,735	\$ 1,333,900	\$ 37,165
Investment Income	1,200	5,612	4,412
Total Revenues	<u>\$ 1,297,935</u>	<u>\$ 1,339,512</u>	<u>\$ 41,577</u>
EXPENDITURES			
General Government			
Professional Services	\$ 6,000	\$ 1,130	\$ (4,870)
Service Charges and Fees	2,700	1,250	(1,450)
Total General Government	<u>\$ 8,700</u>	<u>\$ 2,380</u>	<u>\$ (6,320)</u>
Debt Service			
Principal	\$ 995,000	\$ 995,000	\$ -
Interest	301,736	301,735	(1)
Total Debt Service	<u>\$ 1,296,736</u>	<u>\$ 1,296,735</u>	<u>\$ (1)</u>
Total Expenditures	<u>\$ 1,305,436</u>	<u>\$ 1,299,115</u>	<u>\$ (6,321)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (7,501)	\$ 40,397	\$ 47,898
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(19,800)</u>	<u>(21,400)</u>	<u>(1,600)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (27,301)</u>	\$ 18,997	<u>\$ 46,298</u>
FUND BALANCE - MAY 1, 2017		<u>844,926</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 863,923</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 - MOTOR FUEL TAX
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Motor Fuel Tax	\$ 418,592	\$ 418,592	\$ 415,065	\$ (3,527)
Investment Income	2,189	2,189	14,044	11,855
Total Revenues	<u>\$ 420,781</u>	<u>\$ 420,781</u>	<u>\$ 429,109</u>	<u>\$ 8,328</u>
EXPENDITURES				
Public Works				
Professional Services	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Maintenance Supplies	50,000	50,000	33,479	(16,521)
Total Public Works	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 33,479</u>	<u>\$ (46,521)</u>
Capital Outlay				
Capital Outlay	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ (200,000)</u>
Total Expenditures	<u>\$ 280,000</u>	<u>\$ 280,000</u>	<u>\$ 33,479</u>	<u>\$ (246,521)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 140,781	\$ 140,781	\$ 395,630	\$ 254,849
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(152,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (11,819)</u>	<u>\$ 140,781</u>	<u>\$ 395,630</u>	<u>\$ 254,849</u>
FUND BALANCE - MAY 1, 2017			<u>934,040</u>	
FUND BALANCE - APRIL 30, 2018			<u>\$ 1,329,670</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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Hotel	\$ 876,299	\$ 816,299	\$ 827,607	\$ 11,308
Investment Income	125	125	1,003	878
Total Revenues	<u>\$ 876,424</u>	<u>\$ 816,424</u>	<u>\$ 828,610</u>	<u>\$ 12,186</u>
EXPENDITURES				
General Government				
Professional Services	\$ 113,042	\$ 113,042	\$ 81,263	\$ (31,779)
Professional Development	63,000	63,000	55,620	(7,380)
Other Expenditures	288,651	288,651	328,979	40,328
Total Expenditures	<u>\$ 464,693</u>	<u>\$ 464,693</u>	<u>\$ 465,862</u>	<u>\$ 1,169</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 411,731	\$ 351,731	\$ 362,748	\$ 11,017
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(359,351)</u>	<u>(359,351)</u>	<u>(359,351)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 52,380</u>	<u>\$ (7,620)</u>	\$ 3,397	<u>\$ 11,017</u>
FUND BALANCE - MAY 1, 2017			<u>332,614</u>	
FUND BALANCE - APRIL 30, 2018			<u>\$ 336,011</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 - DEA SEIZURE
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 302,891	\$ 302,891
Investment Income	-	1,732	1,732
Total Revenues	<u>\$ -</u>	<u>\$ 304,623</u>	<u>\$ 304,623</u>
EXPENDITURES			
Public Safety			
Salaries			
Professional Services	\$ 1,761	\$ 774	\$ (987)
Professional Development	8,500	2,352	(6,148)
Maintenance Supplies	91,500	16,650	(74,850)
General Supplies	9,000	3,307	(5,693)
Total Public Safety	<u>\$ 110,761</u>	<u>\$ 23,083</u>	<u>\$ (87,678)</u>
Capital Outlay			
Capital Outlay	<u>\$ 57,500</u>	<u>\$ 7,775</u>	<u>\$ (49,725)</u>
Total Expenditures	<u>\$ 168,261</u>	<u>\$ 30,858</u>	<u>\$ (137,403)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (168,261)	\$ 273,765	\$ 442,026
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (168,261)</u>	\$ 273,765	<u>\$ 442,026</u>
FUND BALANCE - MAY 1, 2017		<u>301,196</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 574,961</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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for Services	\$ 460,000	\$ 460,000	\$ 467,470	\$ 7,470
Investment Income	200	200	2,094	1,894
Total Revenues	<u>\$ 460,200</u>	<u>\$ 460,200</u>	<u>\$ 469,564</u>	<u>\$ 9,364</u>
EXPENDITURES				
General Government				
Administration				
Service Charges and Fees	\$ 311,889	\$ 311,889	\$ 340,927	\$ 29,038
City Council and Boards				
Professional Services	1,718	1,718	1,451	(267)
Total Expenditures	<u>\$ 313,607</u>	<u>\$ 313,607</u>	<u>\$ 342,378</u>	<u>\$ 28,771</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 146,593	\$ 146,593	\$ 127,186	\$ (19,407)
OTHER FINANCING SOURCES (USES)				
Transfers	(126,000)	(656,000)	(656,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ 20,593</u>	<u>\$ (509,407)</u>	\$ (528,814)	<u>\$ (19,407)</u>
FUND BALANCE - MAY 1, 2017			630,622	
FUND BALANCE - APRIL 30, 2018			<u>\$ 101,808</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 #1
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 28,400	\$ 14,016	\$ (14,384)
Investment Income	-	44	44
Total Revenues	<u>\$ 28,400</u>	<u>\$ 14,060</u>	<u>\$ (14,340)</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 1,652	\$ 435	\$ (1,217)
Other Contractual Services	825	463	(362)
Total Expenditures	<u>\$ 2,477</u>	<u>\$ 898</u>	<u>\$ (1,579)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 25,923	\$ 13,162	\$ (12,761)
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(21,800)</u>	<u>(21,800)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,123</u>	\$ (8,638)	<u>\$ (12,761)</u>
FUND BALANCE - MAY 1, 2017		<u>(99,680)</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ (108,318)</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 #2
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 43,400	\$ 21,987	\$ (21,413)
Investment Income	-	245	245
Total Revenues	<u>\$ 43,400</u>	<u>\$ 22,232</u>	<u>\$ (21,168)</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 1,701	\$ 435	\$ (1,266)
Other Contractual Services	550	308	(242)
Total Expenditures	<u>\$ 2,251</u>	<u>\$ 743</u>	<u>\$ (1,508)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 41,149	\$ 21,489	\$ (19,660)
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(23,000)</u>	<u>(23,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 18,149</u>	\$ (1,511)	<u>\$ (19,660)</u>
FUND BALANCE - MAY 1, 2017		<u>38,153</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 36,642</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 #3
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Property Taxes	\$ 25,000	\$ 13,825	\$ (11,175)
Investment Income	100	1,585	1,485
Total Revenues	<u>\$ 25,100</u>	<u>\$ 15,410</u>	<u>\$ (9,690)</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 1,716	\$ 950	\$ (766)
Other Contractual Services	2,310	1,253	(1,057)
Total Expenditures	<u>\$ 4,026</u>	<u>\$ 2,203</u>	<u>\$ (1,823)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 21,074	\$ 13,207	\$ (7,867)
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(32,900)</u>	<u>(32,900)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (11,826)</u>	\$ (19,693)	<u>\$ (7,867)</u>
FUND BALANCE - MAY 1, 2017		<u>343,265</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 323,572</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, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Property Taxes	\$ 42,400	\$ 22,860	\$ (19,540)
Investment Income	-	221	221
Total Revenues	<u>\$ 42,400</u>	<u>\$ 23,081</u>	<u>\$ (19,319)</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 1,683	\$ 432	\$ (1,251)
Other Contractual Services	330	176	(154)
Total Expenditures	<u>\$ 2,013</u>	<u>\$ 608</u>	<u>\$ (1,405)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 40,387	\$ 22,473	\$ (17,914)
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(25,200)</u>	<u>(25,200)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,187</u>	\$ (2,727)	<u>\$ (17,914)</u>
FUND BALANCE - MAY 1, 2017		<u>36,719</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 33,992</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 #5
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Property Taxes	\$ 64,600	\$ 63,346	\$ (1,254)
Investment Income	35	536	501
Total Revenues	<u>\$ 64,635</u>	<u>\$ 63,882</u>	<u>\$ (753)</u>
EXPENDITURES			
Public Works			
Maintenance Services	\$ 5,000	\$ 8,961	\$ 3,961
Professional Services	11,820	6,533	(5,287)
Other Contractual Services	1,320	1,132	(188)
Total Expenditures	<u>\$ 18,140</u>	<u>\$ 16,626</u>	<u>\$ (1,514)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 46,495	\$ 47,256	\$ 761
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(35,400)</u>	<u>(35,400)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 11,095</u>	\$ 11,856	<u>\$ 761</u>
FUND BALANCE - MAY 1, 2017		<u>102,496</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 114,352</u>	

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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, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Property Taxes	\$ 238,503	\$ 244,161	\$ 5,658
Investment Income	50	1,004	954
Total Revenues	<u>\$ 238,553</u>	<u>\$ 245,165</u>	<u>\$ 6,612</u>
EXPENDITURES			
General Government			
Professional Services	\$ 2,000	\$ 942	\$ (1,058)
Service Charges and Fees	450	450	-
Total General Government	<u>\$ 2,450</u>	<u>\$ 1,392</u>	<u>\$ (1,058)</u>
Debt Service			
Principal	\$ 120,000	\$ 120,000	\$ -
Interest	118,503	118,503	-
Total Debt Service	<u>\$ 238,503</u>	<u>\$ 238,503</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 240,953</u>	<u>\$ 239,895</u>	<u>\$ (1,058)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,400)	\$ 5,270	\$ 7,670
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(21,400)</u>	<u>-</u>	<u>21,400</u>
NET CHANGE IN FUND BALANCE	<u>\$ (23,800)</u>	\$ 5,270	<u>\$ 29,070</u>
FUND BALANCE - MAY 1, 2017		<u>182,563</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 187,833</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 #8
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
REVENUES			
Property Taxes	\$ 218,500	\$ 233,664	\$ 15,164
Investment Income	150	1,229	1,079
Total Revenues	<u>\$ 218,650</u>	<u>\$ 234,893</u>	<u>\$ 16,243</u>
EXPENDITURES			
Public Works			
Professional Services	\$ 126,852	\$ 8,186	\$ (118,666)
Other Contractual Services	977	1,694	717
Total Public Works	<u>\$ 127,829</u>	<u>\$ 9,880</u>	<u>\$ (117,949)</u>
Capital Outlay			
Capital Outlay	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ (1,000)</u>
Debt Service			
Principal	\$ 100,000	\$ -	\$ (100,000)
Interest	2,250	2,500	250
Total Debt Service	<u>\$ 102,250</u>	<u>\$ 2,500</u>	<u>\$ (99,750)</u>
Total Expenditures	<u>\$ 231,079</u>	<u>\$ 12,380</u>	<u>\$ (218,699)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (12,429)	\$ 222,513	\$ 234,942
OTHER FINANCING SOURCES (USES)			
Transfers	<u>(57,700)</u>	<u>(57,700)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (70,129)</u>	\$ 164,813	<u>\$ 234,942</u>
FUND BALANCE - MAY 1, 2017		<u>72,994</u>	
FUND BALANCE - APRIL 30, 2018		<u>\$ 237,807</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 - PALATINE ROAD TIF
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ 420,000	\$ 422,909	\$ 2,909
Investment Income	-	-	233	233
Total Revenues	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 423,142</u>	<u>\$ 3,142</u>
EXPENDITURES				
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 420,000	\$ 423,142	\$ 3,142
OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 423,142</u>	<u>\$ 3,142</u>
FUND BALANCE - MAY 1, 2017			<u>-</u>	
FUND BALANCE - APRIL 30, 2018			<u><u>\$ 423,142</u></u>	

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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 - PALATINE/MILWAUKEE TIF
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property Taxes	295,994	\$ 800,994	\$ 1,121,661	\$ 320,667
Investment Income	-	-	4,902	4,902
Total Revenues	<u>\$ 295,994</u>	<u>\$ 800,994</u>	<u>\$ 1,126,563</u>	<u>\$ 325,569</u>
EXPENDITURES				
General Government				
Professional Services	5,540	\$ 5,540	\$ 2,031	\$ (3,509)
Service Charges and Fees	850	850	489	(361)
Other Contractual Services	-	-	391	391
Total General Government	<u>\$ 6,390</u>	<u>\$ 6,390</u>	<u>\$ 2,911</u>	<u>\$ (3,479)</u>
Debt Service				
Principal	500,000	\$ 500,000	\$ 500,000	\$ -
Interest	24,500	24,500	24,500	-
Total Debt Service	<u>\$ 524,500</u>	<u>\$ 524,500</u>	<u>\$ 524,500</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 530,890</u>	<u>\$ 530,890</u>	<u>\$ 527,411</u>	<u>\$ (3,479)</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (234,896)	\$ 270,104	\$ 599,152	\$ 329,048
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (234,896)</u>	<u>\$ 270,104</u>	<u>\$ 599,152</u>	<u>\$ 329,048</u>
FUND BALANCE - MAY 1, 2017			(541,900)	
FUND BALANCE - APRIL 30, 2018			<u>\$ 57,252</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 - WATER
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
OPERATING REVENUES				
Charges for Services	\$ 862,134	\$ 862,134	\$ 834,767	\$ (27,367)
Total Operating Revenues	<u>\$ 862,134</u>	<u>\$ 862,134</u>	<u>\$ 834,767</u>	<u>\$ (27,367)</u>
OPERATING EXPENSES				
Operations and Maintenance				
Salaries	\$ 85,914	\$ 85,914	\$ 81,095	\$ (4,819)
Insurance Benefits	25,223	25,223	24,320	(903)
Pension Benefits	18,045	18,045	29,944	11,899
Maintenance Services	64,900	64,900	21,141	(43,759)
Professional Services	29,595	29,595	58,080	28,485
Communications	5,050	5,050	3,053	(1,997)
Professional Development	4,550	4,550	1,439	(3,111)
Service Charges and Fees	237,500	237,500	253,907	16,407
Other Contractual Services	41,883	41,883	42,313	430
General Supplies	14,500	14,500	4,175	(10,325)
Other	-	-	1,264	1,264
Total Operations and Maintenance	<u>\$ 527,160</u>	<u>\$ 527,160</u>	<u>\$ 520,731</u>	<u>\$ (6,429)</u>
Depreciation Expense	\$ 155,000	\$ 155,000	\$ 110,381	\$ (44,619)
Total Operating Expenses	<u>\$ 682,160</u>	<u>\$ 682,160</u>	<u>\$ 631,112</u>	<u>\$ (51,048)</u>
Operating Income	<u>\$ 179,974</u>	<u>\$ 179,974</u>	<u>\$ 203,655</u>	<u>\$ 23,681</u>
NON-OPERATING REVENUE/(EXPENSE)				
Investment Income	\$ 3,000	\$ 15,000	\$ 16,111	\$ 1,111
Debt Service	(78,310)	(78,310)	(13,815)	64,495
Equipment	(135,000)	(135,000)	-	135,000
Total Non-Operating Revenues (Expenses)	<u>\$ (210,310)</u>	<u>\$ (198,310)</u>	<u>\$ 2,296</u>	<u>\$ 200,606</u>
INCOME/(LOSS) BEFORE TRANSFERS	\$ (30,336)	\$ (18,336)	\$ 205,951	\$ 224,287
TRANSFERS				
Transfers	(242,000)	(242,000)	(242,000)	-
CHANGE IN NET POSITION	<u>\$ (272,336)</u>	<u>\$ (260,336)</u>	<u>\$ (36,049)</u>	<u>\$ 224,287</u>
NET POSITION - MAY 1, 2017			<u>4,800,135</u>	
NET POSITION - APRIL 30, 2018			<u>\$ 4,764,086</u>	

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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, 2018

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget
OPERATING REVENUES			
Charges for Services	\$ 673,125	\$ 800,312	\$ 127,187
Total Operating Revenues	<u>\$ 673,125</u>	<u>\$ 800,312</u>	<u>\$ 127,187</u>
OPERATING EXPENSES			
Operations and Maintenance			
Salaries	\$ 28,379	\$ 13,491	\$ (14,888)
Insurance Benefits	6,382	-	(6,382)
Pension Benefits	5,826	5,866	40
Maintenance Services	-	9,582	9,582
Professional Services	299,000	54,054	(244,946)
Communications	4,920	5,369	449
Professional Development	5,000	-	(5,000)
Service Charges and Fees	850	-	(850)
Other Contractual Services	1,363	3,729	2,366
Other - System Improvements	375,000	3,466	(371,534)
Total Operations and Maintenance	<u>\$ 726,720</u>	<u>\$ 95,557</u>	<u>\$ (631,163)</u>
Total Operating Expenses	<u>\$ 726,720</u>	<u>\$ 95,557</u>	<u>\$ (631,163)</u>
Operating Income	\$ (53,595)	\$ 704,755	\$ 758,350
NON-OPERATING REVENUE/(EXPENSE)			
Miscellaneous Income	<u>-</u>	<u>7,343</u>	<u>7,343</u>
INCOME/(LOSS) BEFORE TRANSFERS	\$ (53,595)	\$ 712,098	\$ 765,693
TRANSFERS			
Transfers	<u>(197,000)</u>	<u>(197,000)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ (250,595)</u>	\$ 515,098	<u>\$ 765,693</u>
NET POSITION - MAY 1, 2017		<u>189,895</u>	
NET POSITION - APRIL 30, 2018		<u>\$ 704,993</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
NONMAJOR ENTERPRISE FUND - PARKING
FOR THE YEAR ENDED APRIL 30, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
OPERATING REVENUES			
Charges for Services	\$ 64,000	\$ 63,013	\$ (987)
Total Operating Revenues	<u>\$ 64,000</u>	<u>\$ 63,013</u>	<u>\$ (987)</u>
OPERATING EXPENSES			
Operations and Maintenance			
Professional Services	\$ 12,700	\$ 9,475	\$ (3,225)
Service Charges and Fees	11,000	7,483	(3,517)
Other Contractual Services	28,880	27,244	(1,636)
Maintenance Supplies	500	115	(385)
General Supplies	2,000	1,129	(871)
Other	250	455	205
Total Operations and Maintenance	<u>\$ 55,330</u>	<u>\$ 45,901</u>	<u>\$ (9,429)</u>
Depreciation Expense	<u>\$ 32,136</u>	<u>\$ 32,136</u>	<u>\$ -</u>
Total Operating Expenses	<u>\$ 87,466</u>	<u>\$ 78,037</u>	<u>\$ (9,429)</u>
INCOME/(LOSS) BEFORE TRANSFERS	\$ (23,466)	\$ (15,024)	\$ 8,442
TRANSFERS			
Transfers	<u>(31,000)</u>	<u>(31,000)</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ (54,466)</u>	<u>\$ (46,024)</u>	<u>\$ 8,442</u>
NET POSITION - MAY 1, 2017		<u>239,635</u>	
NET POSITION - APRIL 30, 2018		<u>\$ 193,611</u>	

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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, 2018

	Budgeted Amounts <u>Original and Final</u>	Actual Amounts <u></u>	Variance with Final Budget <u></u>
ADDITIONS			
Contributions			
Employer	\$ 1,073,243	\$ 1,125,669	\$ 52,426
Plan Members	203,341	209,576	6,235
Total Contributions	<u>\$ 1,276,584</u>	<u>\$ 1,335,245</u>	<u>\$ 58,661</u>
Investment Income			
Interest and Dividends	\$ -	\$ 291,635	\$ 291,635
Net Appreciation in Fair Value of Investments	-	722,546	722,546
Total Investment Income	<u>\$ -</u>	<u>\$ 1,014,181</u>	<u>\$ 1,014,181</u>
Less Investment Expense	27,669	32,390	4,721
Net Investment Income	<u>\$ (27,669)</u>	<u>\$ 981,791</u>	<u>\$ 1,009,460</u>
Total Additions	<u>\$ 1,248,915</u>	<u>\$ 2,317,036</u>	<u>\$ 1,068,121</u>
DEDUCTIONS			
Professional Fees	\$ 32,500	\$ 30,956	\$ (1,544)
State Filing Fee	2,500	-	(2,500)
Other	2,800	-	(2,800)
Disability Benefits	81,897	-	(81,897)
Pension Benefits	661,878	680,633	18,755
Total Deductions	<u>\$ 781,575</u>	<u>\$ 711,589</u>	<u>\$ (69,986)</u>
CHANGE IN NET POSITION	<u>\$ 467,340</u>	\$ 1,605,447	<u>\$ 1,138,107</u>
NET POSITION - MAY 1, 2017		<u>14,439,081</u>	
NET POSITION - APRIL 30, 2018		<u>\$ 16,044,528</u>	

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2008
APRIL 30, 2018

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>
2019	\$ 145,000	\$ 41,972	\$ 186,972
2020	150,000	35,698	185,698
2021	160,000	29,207	189,207
2022	165,000	22,284	187,284
2023	170,000	15,145	185,145
2024	180,000	7,789	187,789
TOTAL	<u>\$ 970,000</u>	<u>\$ 152,095</u>	<u>\$ 1,122,095</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
SPECIAL SERVICE AREA #6 BONDS SERIES 2009
APRIL 30, 2018

Date of Contract: January 29, 2009
Date of Maturity: December 15, 2028
Amount of Contract: \$2,800,000
Interest Rates: 3.50% to 6.25%
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>
2019	\$ 125,000	\$ 112,142	\$ 237,142
2020	135,000	105,517	240,517
2021	140,000	98,363	238,363
2022	150,000	90,383	240,383
2023	160,000	81,833	241,833
2024	170,000	72,712	242,712
2025	180,000	62,512	242,512
2026	190,000	51,713	241,713
2027	200,000	40,313	240,313
2028	215,000	27,812	242,812
2029	230,000	14,375	244,375
TOTAL	<u>\$ 1,895,000</u>	<u>\$ 757,675</u>	<u>\$ 2,652,675</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2010
APRIL 30, 2018

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

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 55,000	\$ 21,110	\$ 76,110
2020	60,000	18,910	78,910
2021	60,000	16,390	76,390
2022	65,000	13,750	78,750
2023	70,000	10,760	80,760
2024	70,000	7,400	77,400
2025	75,000	3,900	78,900
TOTAL	<u>\$ 455,000</u>	<u>\$ 92,220</u>	<u>\$ 547,220</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2011A
APRIL 30, 2018

Date of Contract: June 29, 2011
Date of Maturity: December 15, 2026
Amount of Contract: \$5,000,000
Interest Rates: 2.5% to 4.0%
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>
2019	\$ 315,000	\$ 128,924	\$ 443,924
2020	325,000	119,475	444,475
2021	340,000	108,100	448,100
2022	355,000	96,200	451,200
2023	370,000	82,000	452,000
2024	390,000	67,200	457,200
2025	410,000	51,600	461,600
2026	430,000	35,200	465,200
2027	450,000	18,000	468,000
TOTAL	<u>\$ 3,385,000</u>	<u>\$ 706,699</u>	<u>\$ 4,091,699</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2012
APRIL 30, 2018

Date of Contract: February 28, 2012
Date of Maturity: December 15, 2026
Amount of Contract: \$5,000,000
Interest Rates: 2.0% to 2.5%
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>
2019	\$ 335,000	\$ 74,628	\$ 409,628
2020	345,000	67,928	412,928
2021	355,000	61,028	416,028
2022	365,000	53,928	418,928
2023	375,000	46,628	421,628
2024	390,000	39,128	429,128
2025	405,000	30,353	435,353
2026	415,000	20,835	435,835
2027	435,000	10,875	445,875
TOTAL	<u>\$ 3,420,000</u>	<u>\$ 405,331</u>	<u>\$ 3,825,331</u>

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CITY OF PROSPECT HEIGHTS, ILLINOIS
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION DEBT CERTIFICATES SERIES 2013
APRIL 30, 2018

Date of Contract: April 25, 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>
2019	\$ 370,000	\$ 75,233	\$ 445,233
2020	380,000	67,833	447,833
2021	385,000	60,232	445,232
2022	390,000	52,532	442,532
2023	400,000	44,732	444,732
2024	410,000	36,733	446,733
2025	420,000	28,534	448,534
2026	430,000	20,134	450,134
2027	445,000	10,459	455,459
TOTAL	<u>\$ 3,630,000</u>	<u>\$ 396,422</u>	<u>\$ 4,026,422</u>

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STATISTICAL SECTION

City of Prospect Heights

SCHEDULE OF NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$ 18,303,531	\$ 18,110,058	\$ 17,523,954	\$ 16,150,710	\$ 14,535,816	\$ 15,382,392	\$ 16,599,408	\$ 16,968,210	\$ 17,505,641	\$ 17,827,678
Restricted	4,578,961	3,039,842	2,391,930	3,764,297	4,916,572	4,479,708	5,597,845	6,346,248	6,274,195	6,105,434
Unrestricted	<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>	<u>2,714,558</u>	<u>(620,976)</u>	<u>(4,487,178)</u>	<u>(3,673,566)</u>	<u>(3,990,502)</u>
Total governmental activities net position	<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>	<u>\$ 22,576,658</u>	<u>\$ 21,576,277</u>	<u>\$ 18,827,280</u>	<u>\$ 20,106,270</u>	<u>\$ 19,942,610</u>
Business-type activities										
Net investment in capital assets	\$ 3,480,418	\$ 3,567,935	\$ 3,668,729	\$ 3,716,285	\$ 3,816,254	\$ 3,916,223	\$ 4,009,527	\$ 4,016,858	\$ 3,828,488	\$ 3,807,860
Restricted	-	-	-	-	-	-	-	-	-	314,191
Unrestricted	<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>	<u>48,245,908</u>	<u>47,992,223</u>	<u>47,716,056</u>	<u>47,750,069</u>	<u>46,499,023</u>
Total business-type activities net position	<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>	<u>\$ 52,162,131</u>	<u>\$ 52,001,750</u>	<u>\$ 51,732,914</u>	<u>\$ 51,578,557</u>	<u>\$ 50,621,074</u>
Total City										
Net investment in capital assets	\$ 21,783,949	\$ 21,677,993	\$ 21,192,683	\$ 19,866,995	\$ 18,352,070	\$ 192,298,615	\$ 20,608,935	\$ 20,985,068	\$ 21,334,129	\$ 21,635,538
Restricted	4,578,961	3,039,842	2,391,930	3,764,297	4,916,572	4,479,708	5,597,845	6,346,248	6,274,195	6,419,625
Unrestricted	<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>	<u>50,960,466</u>	<u>47,371,247</u>	<u>43,228,878</u>	<u>44,076,503</u>	<u>42,508,521</u>
Total City net position	<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>	<u>\$ 247,738,789</u>	<u>\$ 73,578,027</u>	<u>\$ 70,560,194</u>	<u>\$ 71,684,827</u>	<u>\$ 70,563,684</u>

Note: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

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.

*GASB No. 46 (effective for periods beginning after June 15, 2005) requires governments to disclose the portion of net position that is restricted for enabling legislation.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
GOVERNMENTAL ACTIVITIES:										
General Government	\$ 3,433,291	\$ 2,861,594	\$ 3,378,267	\$ 3,308,818	\$ 3,015,194	\$ 2,827,609	\$ 2,412,558	\$ 2,860,587	\$ 3,030,035	\$ 3,304,442
Public Safety	5,627,109	5,317,950	4,903,945	4,638,103	4,353,155	4,357,277	2,963,020	4,078,228	4,363,453	4,572,334
Public Works	2,162,147	1,979,107	2,359,857	2,464,382	2,206,406	2,029,365	1,945,801	1,710,818	2,105,904	3,870,940
Interest on long-term debt	546,271	527,668	663,219	796,754	1,097,241	803,325	895,818	674,241	742,318	1,402,804
Total governmental activities expenses	\$ 11,768,818	\$ 10,686,319	\$ 11,305,288	\$ 11,208,057	\$ 10,671,996	\$ 10,017,576	\$ 8,217,197	\$ 9,323,874	\$ 10,241,710	\$ 13,150,520
BUSINESS-TYPE ACTIVITIES										
Water	\$ 644,927	\$ 619,237	\$ 589,212	\$ 592,541	\$ 634,627	\$ 650,693	\$ 600,174	\$ 1,287,921	\$ 510,322	\$ 532,353
Sewer	95,557	81,023	39,291	-	-	-	-	-	-	-
Airport	-	-	-	-	365,947	-	-	266,657	-	799,271
Parking	78,037	54,868	70,471	67,552	83,334	60,603	48,259	64,618	75,231	74,485
Total business-type activities net position	\$ 818,521	\$ 755,128	\$ 698,974	\$ 660,093	\$ 1,083,908	\$ 711,296	\$ 648,433	\$ 1,619,196	\$ 585,553	\$ 1,406,109
Total City expense	\$ 12,587,339	\$ 11,441,447	\$ 12,004,262	\$ 11,868,150	\$ 11,755,904	\$ 10,728,872	\$ 8,865,630	\$ 10,943,070	\$ 10,827,263	\$ 14,556,629
PROGRAM REVENUES										
GOVERNMENTAL ACTIVITIES:										
CHARGES FOR SERVICES:										
General Government	\$ 1,564,725	\$ 2,290,522	\$ 2,420,438	\$ 2,182,833	\$ 2,364,357	\$ 2,126,829	\$ 2,047,787	\$ 1,908,177	\$ 1,884,664	\$ 1,476,152
Public Safety	1,008,724	836,534	855,480	803,173	886,793	505,526	301,287	389,228	455,974	330,788
Public Works	467,470	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,264,463	1,088,026	683,539	981,268	1,087,223	800,285	1,175,743	988,568	680,383	748,505
Capital grants and contributions	-	-	-	-	325,000	-	-	2,373	18,551	101,613
Total governmental activities program revenues	\$ 4,305,382	\$ 4,215,082	\$ 3,959,457	\$ 3,967,274	\$ 4,663,373	\$ 3,432,640	\$ 3,524,817	\$ 3,288,346	\$ 3,039,572	\$ 2,657,058
BUSINESS-TYPE ACTIVITIES										
Charges for Services - Water	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663	\$ 710,576	\$ 761,883	\$ 588,885	\$ 516,240
Charges for Services - Parking	63,013	65,835	88,231	69,066	65,749	55,588	58,038	53,375	42,991	49,928
Charges for Services - Sewer	800,312	256,813	316,027	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	288,502	253,987	955,781	902,590	-
Total business-type activities program revenues	\$ 1,698,092	\$ 1,145,387	\$ 1,197,053	\$ 839,893	\$ 846,037	\$ 1,139,753	\$ 1,022,601	\$ 1,771,039	\$ 1,534,466	\$ 566,168
Total City program revenues	\$ 6,003,474	\$ 5,360,469	\$ 5,156,510	\$ 4,807,167	\$ 5,509,410	\$ 4,572,393	\$ 4,547,418	\$ 5,059,385	\$ 4,574,038	\$ 3,223,226
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (7,463,436)	\$ (6,471,237)	\$ (7,345,831)	\$ (7,240,783)	\$ (6,008,623)	\$ (6,584,936)	\$ (4,692,380)	\$ (6,035,528)	\$ (7,202,138)	\$ (10,493,462)
Business-type activities	879,571	390,259	498,079	179,800	(237,871)	428,457	374,168	151,843	948,913	(839,941)
Total government net expense	\$ (6,583,865)	\$ (6,080,978)	\$ (6,847,752)	\$ (7,060,983)	\$ (6,246,494)	\$ (6,156,479)	\$ (4,318,212)	\$ (5,883,685)	\$ (6,253,225)	\$ (11,333,403)

(continued)

City of Prospect Heights

SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
GOVERNMENTAL ACTIVITIES:										
Taxes										
Property Taxes	\$ 3,863,343	\$ 2,606,246	\$ 2,840,100	\$ 3,160,113	\$ 2,853,719	\$ 2,121,669	\$ 1,773,580	\$ 1,765,557	\$ 2,100,769	\$ 2,037,894
Local Sales and local use	665,197	693,918	377,196	445,284	568,819	540,258	547,969	466,376	282,990	320,799
Utility	873,443	911,263	918,980	1,059,104	1,135,095	1,142,928	1,228,521	1,214,510	1,289,898	1,481,378
Hotel occupancy tax	827,607	849,495	811,689	776,817	757,813	745,932	678,815	556,317	474,657	589,140
Places for eating tax	318,595	326,929	306,113	302,612	301,808	272,726	247,236	233,943	234,626	3,544
Other	835,152	380,978	241,802	177,164	145,210	83,521	13,037	33,272	39,904	38,120
Intergovernmental										
Income Tax	1,479,199	1,532,543	1,662,974	1,637,723	1,552,422	1,538,101	1,377,307	1,321,848	1,317,403	1,504,248
State Sales Tax	1,121,542	981,646	828,941	924,209	822,982	734,219	712,340	768,926	836,740	946,834
Other	197,279	189,323	157,582	138,920	527,304	2,491	3,504	2,871	1,606	1,773
Joint Venture Airport	(549,037)	(65,299)	(661,580)	(360,206)	-	-	-	-	-	-
Investment earnings	125,859	42,524	27,546	(166,558)	30,600	18,295	7,857	9,660	10,126	70,117
Insurance proceeds	-	-	-	-	-	-	524,837	-	-	360,224
Miscellaneous	78,241	87,083	127,295	228,725	63,423	113,280	191,679	188,606	839,343	810,105
Adjustment to land held for resale/Gain on Disposal	534,500	-	-	577,432	-	-	-	(1,816,589)	-	-
Transfers	470,000	426,000	283,420	218,000	210,202	271,897	134,695	11,241	11,845	43,723
Total governmental activities	<u>\$ 10,840,920</u>	<u>\$ 8,962,649</u>	<u>\$ 7,922,058</u>	<u>\$ 9,119,339</u>	<u>\$ 8,969,397</u>	<u>\$ 7,585,317</u>	<u>\$ 7,441,377</u>	<u>\$ 4,756,538</u>	<u>\$ 7,439,907</u>	<u>\$ 8,207,899</u>
BUSINESS-TYPE ACTIVITIES										
Investment earnings	\$ 16,111	\$ 5,076	\$ 4,597	\$ 3,347	\$ 3,293	\$ 3,786	\$ 3,496	\$ 3,126	\$ 4,179	\$ 10,858
Transfers	(470,000)	(426,000)	(283,420)	(218,000)	(210,202)	(271,897)	(134,695)	(11,241)	(11,845)	(43,723)
Miscellaneous	7,343	-	(114)	638	-	35	25,867	10,629	16,236	115,054
Total Business-type activities	<u>\$ (446,546)</u>	<u>\$ (420,924)</u>	<u>\$ (278,937)</u>	<u>\$ (214,015)</u>	<u>\$ (206,909)</u>	<u>\$ (268,076)</u>	<u>\$ (105,332)</u>	<u>\$ 2,514</u>	<u>\$ 8,570</u>	<u>\$ 82,189</u>
Total City	<u>\$ 10,394,374</u>	<u>\$ 8,541,725</u>	<u>\$ 7,643,121</u>	<u>\$ 8,905,324</u>	<u>\$ 8,762,488</u>	<u>\$ 7,317,241</u>	<u>\$ 7,336,045</u>	<u>\$ 4,759,052</u>	<u>\$ 7,448,477</u>	<u>\$ 8,290,088</u>
Business-type activities:										
Capital contributed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,909,451
Change in Net Position										
Governmental activities	3,377,484	2,491,412	576,227	1,878,556	2,960,774	1,000,381	2,748,997	(1,278,990)	237,769	(2,285,563)
Business-type activities	<u>433,025</u>	<u>(30,665)</u>	<u>219,142</u>	<u>(34,215)</u>	<u>(444,780)</u>	<u>160,381</u>	<u>268,836</u>	<u>154,357</u>	<u>957,483</u>	<u>1,151,699</u>
Total City	<u>\$ 3,810,509</u>	<u>\$ 2,460,747</u>	<u>\$ 795,369</u>	<u>\$ 1,844,341</u>	<u>\$ 2,515,994</u>	<u>\$ 1,160,762</u>	<u>\$ 3,017,833</u>	<u>\$ (1,124,633)</u>	<u>\$ 1,195,252</u>	<u>\$ (1,133,864)</u>

Note: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

PROGRAM REVENUES BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FUNCTION/PROGRAM										
Governmental Activities:										
General Government	\$ 2,463,713	\$ 2,447,259	\$ 2,547,250	\$ 2,314,047	\$ 2,510,429	\$ 2,348,316	\$ 2,400,820	\$ 2,041,741	\$ 2,049,179	\$ 1,737,037
Public Safety	1,372,795	1,138,978	995,886	1,163,395	1,290,628	604,721	498,135	731,202	550,209	464,784
Public Works	<u>468,874</u>	<u>628,845</u>	<u>416,321</u>	<u>489,832</u>	<u>862,316</u>	<u>479,603</u>	<u>625,862</u>	<u>515,403</u>	<u>440,184</u>	<u>455,237</u>
Total governmental activities net position	<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>	<u>\$ 3,524,817</u>	<u>\$ 3,288,346</u>	<u>\$ 3,039,572</u>	<u>\$ 2,657,058</u>
BUSINESS-TYPE ACTIVITIES										
Water	\$ 834,767	\$ 822,739	\$ 792,795	\$ 770,827	\$ 780,288	\$ 795,663	\$ 710,576	\$ 1,717,664	\$ 588,885	\$ 516,240
Sewer	800,312	256,813	316,027	-	-	-	-	-	-	-
Parking	<u>63,013</u>	<u>65,835</u>	<u>88,231</u>	<u>69,066</u>	<u>65,749</u>	<u>55,588</u>	<u>58,038</u>	<u>53,375</u>	<u>42,991</u>	<u>49,928</u>
Total business-type activities net position	<u>\$ 1,698,092</u>	<u>\$ 1,145,387</u>	<u>\$ 1,197,053</u>	<u>\$ 839,893</u>	<u>\$ 846,037</u>	<u>\$ 851,251</u>	<u>\$ 768,614</u>	<u>\$ 1,771,039</u>	<u>\$ 631,876</u>	<u>\$ 566,168</u>
Total City net position	<u><u>\$ 6,003,474</u></u>	<u><u>\$ 5,360,469</u></u>	<u><u>\$ 5,156,510</u></u>	<u><u>\$ 4,807,167</u></u>	<u><u>\$ 5,509,410</u></u>	<u><u>\$ 4,283,891</u></u>	<u><u>\$ 4,293,431</u></u>	<u><u>\$ 5,059,385</u></u>	<u><u>\$ 3,671,448</u></u>	<u><u>\$ 3,223,226</u></u>

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

Note: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2018	2017	2016	2015	2014	2013	2012*	2011*	2010	2009
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 852,747	\$ 757,522	\$ 773,642
Unreserved	-	-	-	-	-	-	-	2,192,883	1,551,060	1,590,502
Nonspendable	5,088,947	5,141,789	5,193,298	912,697	1,006,087	581,238	571,418	-	-	-
Restricted	64,928	38,365	24,113	36,232	36,217	16,400	204,793	-	-	-
Committed	2,040,716	2,313,752	2,156,168	2,170,017	1,935,777	1,896,721	1,598,657	-	-	-
Assigned	-	5,820,743	5,820,743	7,390,154	7,276,612	207,071	160,984	-	-	-
Unassigned	2,427,037	1,981,199	815,340	2,660,707	1,883,135	5,839,621	3,660,530	-	-	-
Total General Fund	\$ 9,621,628	\$ 15,295,848	\$ 14,009,662	\$ 13,169,807	\$ 12,137,828	\$ 8,541,051	\$ 6,196,382	\$ 3,045,630	\$ 2,308,582	\$ 2,364,144
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,933,841	\$ 7,954,457	\$ 5,961,660
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	3,434,579	3,059,537	2,559,547
Debt service funds	-	-	-	-	-	-	-	-	-	2,027,091
Capital projects funds	-	-	-	-	-	-	-	259,171	261,512	185,411
Non-Spendable	5,124	27,667	42,696	35,633	34,229	36,314	-	-	-	-
Restricted	4,514,033	3,187,285	2,574,925	4,225,375	6,465,481	10,178,801	11,277,733	-	-	-
Committed	101,808	604,636	515,063	443,185	381,867	345,985	258,413	-	-	-
Assigned	7,650,743	-	-	2,662,210	2,965,409	3,449,314	3,482,838	-	-	-
Unassigned	(1,775,676)	(2,843,438)	(2,554,328)	(240,924)	(286,499)	(378,965)	(624,594)	-	-	-
Total all other governmental funds	\$ 10,496,032	\$ 976,150	\$ 578,356	\$ 7,125,479	\$ 9,560,487	\$ 13,631,449	\$ 14,394,390	\$ 9,627,591	\$ 11,275,506	\$ 10,733,709
Total	\$ 20,117,660	\$ 16,271,998	\$ 14,588,018	\$ 20,295,286	\$ 21,698,315	\$ 22,172,500	\$ 20,590,772	\$ 12,673,221	\$ 13,584,088	\$ 13,097,853

*Note: GASB Statement No. 54 was implemented in fiscal year 2012. With this implementation, governmental funds report five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned, rather than the reserved and unreserved components previously reported.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30th	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes (1)	\$ 5,634,372	\$ 5,768,829	\$ 5,495,880	\$ 5,811,094	\$ 5,762,464	\$ 4,907,034	\$ 4,489,158	\$ 4,269,975	\$ 4,422,844	\$ 4,470,875
Intergovernmental (2)	4,894,938	3,634,801	3,206,224	3,660,906	4,168,859	2,853,609	3,112,744	2,569,183	2,414,499	2,847,736
Licenses	980,328	936,288	899,237	932,368	1,063,648	844,911	887,172	851,454	877,534	475,530
Fines and Forfeits	655,993	797,392	784,430	755,188	849,736	467,308	256,814	376,583	432,094	309,674
Charges for Services	1,404,598	1,388,736	1,586,423	1,291,741	1,353,391	1,309,694	1,169,635	1,069,368	1,031,010	1,021,736
Investment Income	660,359	42,524	27,546	(166,558)	30,600	18,295	7,857	9,660	10,126	70,117
Miscellaneous	994,751	248,460	259,935	366,648	222,968	360,742	908,119	183,469	840,626	810,105
Total Revenues	<u>\$ 15,225,339</u>	<u>\$ 12,817,030</u>	<u>\$ 12,259,675</u>	<u>\$ 12,651,387</u>	<u>\$ 13,451,666</u>	<u>\$ 10,761,593</u>	<u>\$ 10,831,499</u>	<u>\$ 9,329,692</u>	<u>\$ 10,028,733</u>	<u>\$ 10,005,773</u>
EXPENDITURES										
General Government	\$ 2,984,783	\$ 2,595,262	\$ 3,251,307	\$ 2,977,917	\$ 2,891,222	\$ 2,681,900	\$ 2,324,123	\$ 2,724,788	\$ 2,872,824	\$ 3,212,292
Public Safety	5,097,514	4,865,825	4,653,389	4,424,004	4,164,469	4,015,241	3,347,253	3,744,385	3,962,324	4,255,123
Public Works	970,223	970,636	1,085,664	1,195,842	905,608	807,717	938,495	578,591	723,685	1,170,516
Capital Outlay	546,920	904,469	2,188,781	3,138,652	4,099,039	5,328,497	5,001,238	12,428	844,958	2,969,541
Debt Service										
Principal	1,755,000	1,670,000	6,320,000	2,225,000	1,201,421	766,421	5,611,727	1,440,000	1,315,000	7,253,228
Interest	495,237	552,858	751,222	888,433	845,196	903,898	1,367,351	450,422	483,734	1,023,517
Debt Issuance Costs	-	-	-	-	-	-	-	-	-	207,341
Total expenditures	<u>\$ 11,849,677</u>	<u>\$ 11,559,050</u>	<u>\$ 18,250,363</u>	<u>\$ 14,849,848</u>	<u>\$ 14,106,955</u>	<u>\$ 14,503,674</u>	<u>\$ 18,590,187</u>	<u>\$ 8,950,614</u>	<u>\$ 10,202,525</u>	<u>\$ 20,091,558</u>
Excess of revenues over (under) expenditures	<u>\$ 3,375,662</u>	<u>\$ 1,257,980</u>	<u>\$ (5,990,688)</u>	<u>\$ (2,198,461)</u>	<u>\$ (655,289)</u>	<u>\$ (3,742,081)</u>	<u>\$ (7,758,688)</u>	<u>\$ 379,078</u>	<u>\$ (173,792)</u>	<u>\$ (10,085,785)</u>
Impairment of land held for resale	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,816,589)</u>	<u>\$ -</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 15,541,544	\$ -	\$ 282,107	\$ 10,160,305
Proceeds from insurance recovery	-	-	-	-	-	-	-	-	-	360,224
Premiums on GO Debt issued	-	-	-	-	-	51,912	-	-	-	-
Transfers in	7,650,743	1,521,651	1,405,948	1,674,633	2,140,433	2,486,746	2,010,488	600,760	1,120,214	865,872
Transfers out	(7,180,743)	(1,095,651)	(1,122,528)	(1,456,633)	(1,930,231)	(2,214,849)	(1,875,793)	(589,519)	(1,108,369)	(822,149)
Gain on sales of assets held for resale	-	-	-	577,432	-	-	-	-	-	-
Total other financing sources (uses)	<u>\$ 470,000</u>	<u>\$ 426,000</u>	<u>\$ 283,420</u>	<u>\$ 795,432</u>	<u>\$ 210,202</u>	<u>\$ 5,323,809</u>	<u>\$ 15,676,239</u>	<u>\$ 11,241</u>	<u>\$ 293,952</u>	<u>\$ 10,564,252</u>
Net Change in fund balances	<u>\$ 3,845,662</u>	<u>\$ 1,683,980</u>	<u>\$ (5,707,268)</u>	<u>\$ (1,403,029)</u>	<u>\$ (445,087)</u>	<u>\$ 1,581,728</u>	<u>\$ 7,917,551</u>	<u>\$ (1,426,270)</u>	<u>\$ 120,160</u>	<u>\$ 478,467</u>
Debt service as a percentage of noncapital expenditures	24.4%	20.9%	43.8%	26.2%	20.2%	17.7%	49.9%	21.3%	18.1%	51.4%

Note: The City used the cash basis of accounting for fiscal years 2001-2007. In fiscal year 2008, the City changed to the modified accrual basis of accounting.

(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 Comprehensive Annual Financial Report

City of Prospect Heights

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Fiscal Year Ended April 30 th	Property	Income	(2) Local Use	State Sales	Non-Home Rule Sales	Utility	Telecom	Motor Fuel	Hotel	Places for Eating (1)	Other (2)	Total
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
2013	2,121,669	1,538,101	260,876	734,219	279,382	577,463	565,465	464,753	745,932	2,853,719	(2,494,981)	7,646,598
2012	1,773,580	1,377,307	277,752	712,340	270,217	565,924	662,597	482,202	678,815	247,236	16,514	7,064,484
2011	1,765,557	1,321,848	190,408	768,926	275,968	617,393	597,117	515,403	556,317	233,943	36,143	6,879,023
2010	2,100,769	1,317,403	31,785	836,740	251,205	596,655	693,243	440,184	474,657	234,626	41,510	7,018,777
2009	2,037,894	1,504,248	47,685	946,834	273,114	696,820	784,558	455,237	589,140	3,544	39,893	7,378,967

(1) The City enacted the Places for Eating tax in February 2009.

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

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

**ASSESSED 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
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
2012	326,698,695	53,355,167	17,279,177	-	397,333,039	0.319	1,193,192,309
2011	440,623,173	59,082,360	19,118,359	-	440,623,173	0.162	1,323,192,712
2010	389,090,836	74,195,260	25,508,165	-	488,794,261	0.054	1,467,850,634
2009	441,921,457	87,412,853	28,234,883	1,877	557,571,070	0.046	1,674,387,598
2008	416,195,759	113,588,337	31,224,930	3,003	561,012,029	0.045	1,684,720,808

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
CITY DIRECT RATES										
Police Pension and Roads	0.433	0.434	0.486	0.486	0.498	0.319	0.162	0.054	0.046	0.045
TOTAL DIRECT RATES	0.433	0.434	0.486	0.486	0.498	0.319	0.162	0.054	0.046	0.045
OVERLAPPING RATES										
County of Cook	0.496	0.533	0.552	0.568	0.560	0.531	0.462	0.423	0.394	0.415
Forest Preserve District of Cook County	0.062	0.063	0.069	0.069	0.069	0.063	0.058	0.051	0.049	0.051
Metropolitan Water Reclamation District	0.402	0.406	0.426	0.430	0.417	0.370	0.320	0.274	0.261	0.252
Consolidated Elections	-	-	0.034	-	0.031	-	0.025	-	0.021	-
Northfield Township - General	0.023	0.024	0.028	0.032	0.031	0.024	0.020	0.013	0.010	0.009
Northfield Township - General Assistance	0.006	0.006	0.007	0.007	0.008	0.009	0.008	0.011	0.010	0.009
Northfield Township - Road & Bridge	0.049	0.049	0.057	0.054	0.053	0.046	0.041	0.036	0.031	0.030
Wheeling Township - General	0.043	0.041	0.055	0.052	0.056	0.052	0.048	0.043	0.039	0.038
Wheeling Township - General Assistance	0.009	0.008	0.010	0.010	0.010	0.009	0.009	0.005	0.009	0.009
Wheeling Township - Road & Bridge	0.015	0.014	0.020	0.019	0.019	0.016	0.015	0.014	0.012	0.012
Northfield Woods Sanitary District	0.065	0.088	0.098	0.099	0.098	0.082	0.079	0.067	0.054	0.049
Old Town Sanitary District	-	-	-	0.028	0.028	0.023	0.020	0.017	0.015	0.015
Northwest Mosquito Abatement District	0.010	0.010	0.011	0.013	0.013	0.011	0.010	0.009	0.008	0.008
Arlington Heights Township High School #214	2.563	2.527	2.881	2.776	2.768	2.324	2.060	1.839	1.636	1.587
Northfield Township High School #225	2.102	2.106	2.493	2.367	2.341	2.028	1.819	1.609	1.395	1.383
Harper Community College District #512	0.425	0.416	0.466	0.451	0.444	0.373	0.334	0.295	0.258	0.256
Oakton Community College District #535	0.232	0.231	0.271	0.258	0.256	0.219	0.196	0.160	0.140	0.140
Arlington Heights Park District	0.494	0.488	0.626	0.636	0.633	0.545	0.496	0.450	0.392	0.379
Prospect Heights Park District	0.784	0.770	0.912	0.884	0.856	0.746	0.661	0.595	0.523	0.544
River Trails Park District	0.681	0.665	0.769	0.748	0.747	0.632	0.553	0.510	0.433	0.422
Wheeling Park District	0.842	0.829	0.924	0.890	0.899	0.738	0.654	0.571	0.490	0.496
Prospect Heights Public Library District	0.547	0.545	0.621	0.597	0.599	0.489	0.437	0.387	0.343	0.337
Indian Trails Public Library District	0.481	0.476	0.534	0.529	0.504	0.463	0.393	0.347	0.307	0.308
Northbrook Rural Fire Protection District	0.703	0.690	0.800	0.800	0.800	0.700	0.700	0.632	0.552	0.501
Prospect Heights Fire Protection District	1.018	0.979	1.148	1.102	1.091	0.934	0.845	0.755	0.652	0.677
Glenbrook Fire District	0.726	0.720	0.815	0.796	0.788	0.713	0.703	0.658	0.522	0.470
City of Prospect Heights:										
Special Service Area #1	-	0.291	0.035	0.035	0.035	0.035	0.199	0.200	0.176	0.187
Special Service Area #2	-	0.783	0.930	0.911	0.930	0.895	0.268	0.262	0.229	0.229
Special Service Area #3	-	0.101	0.119	0.107	0.098	0.078	0.180	0.213	0.188	0.196
Special Service Area #4	-	0.852	0.910	0.909	0.831	0.664	0.256	0.239	0.191	0.208
Special Service Area #5	0.061	0.142	0.018	0.018	0.018	0.012	0.049	0.137	0.112	0.170
Special Service Area #6	1.326	1.328	1.511	1.449	1.434	1.174	1.065	0.984	0.906	0.958
Special Service Area #8	0.593	0.979	1.105	1.072	1.079	0.847	0.278	-	-	-
School District #21 - Wheeling	5.022	4.966	5.642	5.430	4.841	4.556	4.164	3.658	3.209	3.161
School District #23 - Prospect Heights	3.479	3.404	4.062	3.922	3.932	3.273	2.869	2.571	2.253	2.363
School District #25 - Arlington Heights	3.488	3.424	3.990	3.678	3.659	3.416	3.101	2.813	2.510	2.807
School District #26 - River Trails	4.198	4.140	4.742	3.873	3.873	3.873	3.458	3.131	2.703	2.696
School District #31 - West Northfield	2.700	2.699	3.107	2.911	2.946	2.525	2.018	1.730	1.494	1.402

* 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, 2018			At Fiscal Year End April 30, 2009		
	2017 Taxable Assessed Value	Rank	Percentage of Total City 2017 Taxable Assessed Value	2008 Taxable Assessed Value	Rank	Percentage of Total City 2008 Taxable Assessed Value
Lincoln National Life				\$ 30,471,745	1	5.43%
Briarwood Lakes LP	\$ 8,334,424	1	2.10%	13,468,112	2	2.40%
CR Congress LLC	7,839,230	2	1.98%	10,843,242	5	1.93%
Frank S. Allgauer	6,978,151	3	1.76%	12,118,818	3	2.16%
Bays Northbrook Hosp C	6,174,889	4	1.56%	12,054,373	4	2.15%
Palwaukee Equities LLC./Plaza	4,518,109	5	1.14%	8,512,601	6	1.52%
HCP Inc.	2,781,317	6	0.70%			
Greenbrier Assisted Living	2,392,358	8	0.60%			
Allstate Insurance Co.	2,679,439	7	0.68%			
Voss Bros	2,369,177	9	0.60%	3,421,559	7	0.61%
Eclipse Aerospace	2,048,227	10	0.52%			
Prime Care Seven LLC				3,367,373	8	0.60%
RK Hospitality LLC				3,275,694	9	0.58%
Costa Construction Inc.				3,250,108	10	0.58%
Total assessed valuation	<u>\$ 46,115,321</u>		<u>11.62%</u>	<u>\$ 100,783,625</u>		<u>17.96%</u>
Total equalized assessed valuation	<u>\$ 396,799,409</u>			<u>\$ 561,012,029</u>		

Data Source

Cook County Clerk's Office

City of Prospect Heights

SALES TAX BY CATEGORY
Last Ten Calendar Years ⁽¹⁾

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General merchandise ⁽²⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	426,406	293,489	267,897	357,378	144,027	133,768	152,351	121,171	106,410	101,964
Drinking and eating places	191,882	184,738	178,967	184,757	174,266	154,219	152,708	145,295	166,615	218,555
Apparel	2,152	-	2,045	-	-	6,416	6,380	6,661	10,995	20,217
Furniture and H.H. and radio	23,216	18,627	23,547	21,462	24,330	26,104	28,024	28,087	27,652	28,000
Lumber, building, hardware ⁽²⁾	13,742	14,704	11,008	10,290	11,654	10,028	10,067	10,862	5,158	6,412
Automobile and filling stations	113,645	112,460	120,164	150,517	114,943	94,981	97,985	91,788	86,444	113,253
Drugs and miscellaneous retail	193,722	194,775	177,608	174,312	202,437	216,589	210,793	205,095	176,769	215,253
Agriculture and all others	89,748	81,475	64,376	54,980	56,541	51,254	51,930	54,882	83,280	86,851
Manufacturers ⁽²⁾	-	2,134	-	1,889	6,486	-	-	-	-	-
Unclassified ⁽²⁾	18,320	13,029	14,083	14,534	18,710	18,075	19,442	15,816	14,945	15,046
TOTAL	\$1,072,834	\$ 915,431	\$ 859,695	\$ 970,118	\$ 753,394	\$ 711,434	\$ 729,680	\$ 679,656	\$ 678,268	\$ 805,551
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	323	323	344	286	288	292	269	276	292	304

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
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
2013	1.00	0.50	5.25	0.75	1.00	8.50
2012	1.00	0.50	5.00	1.25	1.00	8.75
2011	1.00	0.50	5.00	1.50	1.00	9.00
2010	1.00	0.50	5.00	2.00	1.00	9.50
2009	1.00	0.50	5.00	2.00	1.00	9.50

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
2018	2017 ⁽¹⁾	\$ 2,151,487	\$ 1,034,614	48.1	-	\$ 1,034,614	48.1
2017	2016	2,409,203	2,378,151	98.7	-	2,378,151	98.7
2016	2015	2,384,601	2,337,323	98.0	-	2,337,323	98.0
2015	2014	2,298,340	2,265,225	98.6	-	2,242,832	99.0
2014	2013	2,239,415	2,216,999	99.0	(1,515)	2,215,484	98.9
2013	2012	1,867,308	1,846,797	98.9	(6,497)	1,840,300	98.6
2012	2011	1,173,647	1,156,270	98.5	(5,143)	1,151,127	98.1
2011	2010	719,063	691,772	96.2	8,167	699,939	97.3
2010	2009	696,533	566,275	81.3	114,557	680,832	97.7
2009	2008	725,973	684,918	94.3	23,632	708,550	97.6

(1) Levy year 2017 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	2017 (1)	2016	2015	2014	2013	2012	2011	2010	2009	2008
City-wide - Police pension	\$ 148,525	\$ 336,974	\$ 347,092	\$ 290,095	\$ 281,343	\$ 273,548	\$ 262,783	\$ 258,174	\$ 249,995	\$ 246,602
Road Bonds	604,112	1,373,057	1,337,121	1,349,279	1,347,803	973,048	435,100	-	-	-
Special services area #1	-	27,547	27,288	27,380	27,116	33,955	20,454	20,996	20,273	19,664
Special services area #2	-	42,524	42,046	43,975	42,848	51,050	16,153	16,667	15,799	15,192
Special services area #3	-	25,698	24,656	22,803	20,494	20,516	50,970	62,289	60,243	57,636
Special services area #4	-	43,019	41,170	41,262	37,934	35,822	16,116	16,846	14,459	15,950
Special services area #5	31,642	62,265	61,897	6,281	5,761	5,225	25,847	78,981	75,763	111,634
Special services area #6	77,011	246,436	246,231	250,292	246,011	243,677	242,554	245,986	244,299	241,872
Special services area #8	110,437	220,631	215,192	211,464	206,174	203,459	81,151	-	-	-
Total collections to date	<u>\$ 971,728</u>	<u>\$ 2,378,151</u>	<u>\$ 2,342,693</u>	<u>\$ 2,242,832</u>	<u>\$ 2,215,484</u>	<u>\$ 1,840,300</u>	<u>\$ 1,151,127</u>	<u>\$ 699,939</u>	<u>\$ 680,832</u>	<u>\$ 708,550</u>
Levy as extended	<u>\$ 2,151,487</u>	<u>\$ 2,409,203</u>	<u>\$ 2,385,722</u>	<u>\$ 2,298,340</u>	<u>\$ 2,239,415</u>	<u>\$ 1,867,308</u>	<u>\$ 1,173,647</u>	<u>\$ 719,063</u>	<u>\$ 696,533</u>	<u>\$ 725,973</u>
Percent collected	45.2%	98.7%	98.2%	97.6%	98.9%	98.6%	98.1%	97.3%	97.7%	97.6%

(1) Levy year 2017 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			
2018	\$ 11,513,393	\$ -	\$ -	\$ 1,895,000	\$ -	\$ 455,000	\$ 13,863,393	2.50	\$ 849
2017	12,661,057	500,000	-	2,015,000	-	510,000	15,686,057	2.99	965.77
2016	13,783,723	945,000	-	2,130,000	-	565,000	17,423,723	3.40	1,063.33
2015	19,586,389	1,365,000	-	2,240,000	-	615,000	23,806,389	4.63	1,450.02
2014	21,319,953	1,765,000	-	2,340,000	-	665,000	26,089,953	4.99	1,590.08
2013	21,870,000	2,110,000	-	2,435,000	56,421	715,000	27,186,421	5.72	1,661.05
2012	17,160,000	2,440,000	-	2,525,000	112,842	765,000	23,002,842	4.75	1,408.88
2011	6,885,305	2,750,000	-	2,615,000	169,264	800,000	13,219,569	2.74	813.21
2010	7,450,305	3,540,000	-	2,700,000	225,685	-	13,915,990	2.36	871.98
2009	7,995,305	4,210,000	-	2,800,000	-	-	15,005,305	2.53	935.08

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 Comprehensive Annual Financial Report

City of Prospect Heights

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years

Fiscal Year Ended April 30th	General Bond Debt	Less: Amounts Available for General Bonded Debt	Net General Bonded Debt	Percentage of Estimated Actual Value of Taxable Property ⁽¹⁾	Per Capita ⁽²⁾
2018	\$ 11,968,393	\$ 863,923	\$ 11,104,470	0.93	679.96
2017	13,171,057	844,926	12,326,131	1.05	758.90
2016	14,348,723	815,212	13,533,511	1.36	825.92
2015	20,201,389	783,635	19,417,754	1.95	1,182.71
2014	21,984,953	549,369	21,435,584	2.09	1,306.41
2013	22,585,000	242,291	22,342,709	2.24	1,365.11
2012	17,160,000	-	17,160,000	1.44	1,051.02
2011	6,885,305	-	6,885,305	0.52	423.55
2010	7,450,305	-	7,450,305	0.51	466.84
2009	7,995,305	-	7,995,305	0.48	498.24

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 Comprehensive Annual Financial Report

City of Prospect Heights

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
April 30, 2018

<u>Governmental Unit</u> (Debt repaid with property taxes)	2017 Valuation	2017 Assessed Value in City	General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Taxing Authority:					
Cook County	\$ 150,817,077,698	\$ 396,777,935	\$ 3,085,186,750	0.260%	\$ 8,021,486
Cook County Forest Preserve	150,817,077,698	396,777,935	157,510,000	0.260%	409,526
Metropolitan Water Reclamation District	147,945,823,261	396,777,935	2,480,560,091 (1)	0.270%	6,697,512
Others:					
Arlington Heights Park District	2,827,099,756	31,426,568	12,390,000 (4)	1.110%	137,529
Prospect Heights Park District	353,599,937	222,449,032	7,580,305 (2)	62.910%	4,768,770
River Trails Park District	491,828,445	84,719,634	6,425,000 (2)	17.230%	1,107,028
Wheeling Park District	945,227,734	42,057,254	10,320,000 (2)	4.450%	459,240
Indian Trails Public Library	1,058,253,518	72,053,127	4,840,000	6.810%	329,604
School Districts:					
School District 21	1,810,938,671	102,185,896	30,255,000	5.640%	1,706,382
School District 23	553,717,876	220,120,071	7,540,000	39.750%	2,997,150
School District 26	543,220,243	53,365,307	8,665,000	9.820%	850,903
School District 31	611,806,992	16,125,447	12,705,000	2.640%	335,412
High School District 214	8,647,114,532	380,652,488	37,480,000 (4)	4.400%	1,649,120
High School District 225	5,436,852,518	16,125,447	77,460,074 (3)	0.300%	232,380
Harper Community College 512	17,691,505,431	380,652,488	126,895,000	2.150%	2,728,243
Total Overlapping General Obligation Bonded Debt					<u>\$ 32,430,284</u>
Direct Debt:					
City of Prospect Heights	396,032,158	396,032,158	13,408,391 (4)	100.000%	<u>13,408,391</u>
Total Direct and Overlapping General Obligation Bonded Debt					<u><u>\$ 45,838,675</u></u>

* Excludes Prospect Heights Special Service Areas #6 bonds in the amount of \$2,015,000 which applies to only a small portion of the City.

(1) Includes IEPA Revolving Loan Fund Bonds

(2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

(3) Includes original principal amounts of General Obligation Capital Appreciation Bonds

(4) Excludes outstanding debt certificates

Sources: Offices of the Cook County Clerk, Comptroller and Metropolitan Water Reclamation District Treasurer

City of Prospect Heights

LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Legal debt margin calculation for period ending April 30, 2018

Assessed value - 2017 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	2017 2018	2016 2017	2015 2016	2014 2015	2013 2014	2012 2013	2011 2012	2010 2011	2009 2010	2008 2009
Assessed value ⁽¹⁾	\$ 396,799,409	\$ 392,654,852	\$ 331,784,908	\$ 341,892,724	\$ 331,710,999	\$ 397,333,039	\$ 440,623,173	\$ 488,794,261	\$ 557,571,070	\$ 561,012,029
Debt limit	34,223,949	33,866,481	28,616,448	29,488,247	28,610,074	34,269,975	38,003,749	42,158,505	48,090,505	48,387,288
Total net debt applicable to limit	11,968,393	13,171,057	14,348,723	20,201,389	21,984,953	22,585,000	17,160,000	6,885,305	7,450,305	7,995,305
Legal debt margin	\$ 22,255,556	\$ 20,695,424	\$ 14,267,725	\$ 9,286,858	\$ 6,625,121	\$ 11,684,975	\$ 20,843,749	\$ 35,273,200	\$ 40,640,200	\$ 40,391,983
Total net debt applicable to the limit as a percentage of debt limit	34.97%	38.89%	50.14%	68.51%	76.84%	65.90%	45.15%	16.33%	15.49%	16.52%

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, 2017 assessed value provided for fiscal year 2017.

Data Source

The City of Prospect Heights Comprehensive Annual Financial Report

City of Prospect Heights

PLEDGED-REVENUE COVERAGE Last Ten Fiscal Years

Fiscal Year Ended April 30th	Tax Increment Allocation Notes, Series 2004					Coverage
	Incremental Property Taxes and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
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
2013	700,571	373,304	327,267	330,000	114,185	0.74
2012	1,044,418	190,972	853,447	310,000	127,825	1.95
2011	1,103,995	314,733	789,262	790,000	173,892	0.82
2010	1,223,254	490,299	732,955	670,000	198,106	0.84
2009	1,646,110	239,695	1,406,415	245,000	203,210	3.14

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 Comprehensive Annual 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)
2017	16,331	\$ 553,441,259	\$ 33,889	4.0
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	6.0
2013	16,408	522,430,720	31,840	5.8
2012 (2)	16,367	475,134,010	29,030	6.7
2011	16,327	484,764,957	29,691	6.6
2010	16,256	482,656,896	29,691	6.7
2009	15,959	589,062,649	36,911	8.2
2008	16,047	592,310,817	36,911	5.1

Data Sources

(1) U.S. Census Bureau.

(2) U.S. Census Bureau, Per capita money income in past 12 months (2015 dollars) 2011-2015

(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, 2018					Fiscal Year Ended April 30, 2009				
Employer	Business/Service	Employees	Percent of Total	Rank	Employer	Business/Service	Employees	Rank	
School District Number 23	Elementary Public Schools	200 *	2.42%	1	School District Number 26	Elementary public schools	260 *	1	
Hilton Hotel and Allgauer's Restaurant	Hotel and Restaurant	150 *	1.82%	2	School District Number 23	Elementary public schools	204 *	2	
Prospect Heights Park District	Parks and Recreation	147 *	1.78%	3	Prospect Heights Park District	Public parks, recreation	195 *	3	
Tony's Finer Foods	Retail Grocery Store	135 *	1.64%	4	Hilton Hotel and Allgauer's Restaurant	Hotel and restaurant	160 *	4	
Crowne Plaza	Hotel and Restaurant	125 *	1.52%	5	Siemens Hearing Instruments	Orthopedic appliances, hearing aids	119	5	
Terrance Electric & Technology	Commercial & Industrial Printing	85 *	1.03%	6	Capital Graphics Inc.	Typesetting services, commercial printing	65	6	
Prospect Heights Fire Protection District	Fire Protection	50 *	0.61%	7	Leggett & Platt, Inc.	Storage and stacking racks	99	7	
City of Prospect Heights	Municipal Government (FTE)	48	0.58%	8	Doetsch Bros. Company	Excavating, grading & gravel mining	55	8	
Prospect Heights Public Library	Public library	41 *	0.50%	9	City of Prospect Heights	Municipal government	52 *	9	
Walgreens	Retail Store and Pharmacy	35 *	0.42%	10	Prospect Heights Public Library	Public library	40	10	
					Walgreens	Pharmacy and retail store	37	11	
					CRC Print, Inc.	Commercial printing	25	12	
Total		<u>1,016</u>	<u>12.32%</u>		Total		<u>1,311</u>		

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

Data Sources

- (1) The Illinois Department of Employment Security reports that there were 8,248 persons employed in the City in 2016
- (2) 2017 Illinois Manufacturers and Services Directories
- (3) USA.com database

City of Prospect Heights

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

Fiscal Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
GENERAL GOVERNMENT										
Administration	3.50	2.50	3.50	1.25	3.00	3.00	2.50	2.00	2.00	2.00
Finance	-	1.50	1.50	1.25	1.50	1.50	1.50	1.50	1.00	1.00
Building and Zoning	4.00	4.00	3.00	2.50	3.50	3.50	2.50	2.50	2.50	2.50
Engineering	-	0.50	-	0.50	0.50	0.50	0.50	0.50	1.00	1.00
PUBLIC SAFETY										
Police Sworn	23.00	32.00	27.00	27.00	27.00	26.00	21.00	24.00	26.00	26.00
Police Civilian	4.00	4.00	4.00	4.00	3.50	3.00	2.00	2.50	2.00	3.00
PUBLIC WORKS										
Administration	1.00	2.00	2.00	2.00	1.00	1.00	1.00	-	0.50	1.50
Streets and Sewers	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Forestry	-	-	-	-	-	-	-	-	1.00	1.00
Drainage	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Building Maintenance	1.00	1.00	1.00	-	-	-	-	-	-	-
Vehicle Maintenance	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water	1.25	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
Sanitary Sewer	0.25	0.50	0.50	-	-	-	-	-	-	-
CONVENTION & VISITORS BUREAU	-	-	-	-	-	-	2.00	3.00	5.00	4.00
Total	41.00	52.50	48.00	44.00	45.50	44.00	38.50	41.00	47.00	49.00

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Number of calls	5,438	5,484	5,447	5,816	5,597	5,409	5,467	5,847	8,214	13,888
Part One Offenses ⁽¹⁾	122	138	106	176	178	188	206	213	215	202
Part Two Offenses ⁽²⁾	521	586	652	737	740	723	548	469	614	670
Part One Arrests ⁽¹⁾	33	61	41	30	34	39	38	13	31	22
Part Two Arrests ⁽²⁾	475	658	745	431	456	442	280	205	305	289
Auto Accident investigations	423	407	389	377	333	315	268	339	535	502
Building & Zoning ⁽³⁾										
Building permits issued (residential and commercial)	791	834	559	471	457	351	294	269	360	406
Value of all construction permits issued	\$ 9,762,995	\$ 23,904,289	\$ 31,981,883	\$ 18,888,073	\$ 13,186,191	\$ 11,655,638	\$ 14,171,540	\$ 8,574,513	\$ 4,489,580	\$ 6,836,618
Plan reviews ⁽⁴⁾	819	880	796	503	748	727	625	564	799	948
Building inspections ⁽⁴⁾	2,016	1,294	946	743	777	744	917	774	902	1,117
Rental dwelling inspections ⁽⁴⁾	2,363	1,682	1,397	1,599	1,457	1,132	1,027	1,032	1,615	1,566
Health inspections ⁽⁴⁾	152	192	87	142	261	285	349	286	305	534
Engineering										
Right-of-way permits reviewed	15	14	27	32	31	47	38	13	47	43
Subdivision reviews (number)	3	3	-	-	-	1	2	1	-	-
Road program/street reconstruction (linear feet)	-	-	-	-	-	32,090	45,156	-	-	-
Road program/resurfacing (linear feet)	-	4,700	-	-	48,568	17,057	17,057	-	-	-
Public works - general										
Streets cold patching (in tons)	9	5	6	3	10	8	32	66	70	126
Streets resurfaced (square yards)	-	-	-	-	110,550	137,901	107,401	-	883	-
Streets cleaned (miles)	6.00	4.00	21.00	20.33	21.40	20.30	21.40	31.25	26.40	17.32
Snow plowing/salting (hours)	7	540	552	835	1,810	1,074	519	1,002	953	1,287
Storm sewers repaired & cleaned (linear feet)	3,250	8,200	2,162	2,720	5,294	4,562	31,270	40	100	1,146
Service requests (residential and intra-city)	2,210	2,150	2,244	2,118	2,317	2,106	2,380	822	763	622
JULIE utility locates	3,246	3,046	3,718	2,680	2,571	2,463	2,204	2,146	1,990	2,405
Parkway trees planted	3	2	37	34	28	-	-	-	1	1
Public works - Water										
Gallons of water billed (in thousands)	38,728	43,889	43,889	43,889	44,290	47,596	47,249	45,079	47,364	45,331
Main break repairs	2	1	1	5	-	-	2	1	-	1
Meters replaced	1	-	-	-	-	2	-	-	2	-
Services initiated	-	2	2	-	1	16	2	1	8	5

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
- (4) City Hall fire in April 2006 destroyed files for calendar years 2003-2005. Statistics for these years are estimates.

City of Prospect Heights

CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM Last Ten Fiscal Years

Fiscal Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Patrol units	17	18	18	18	18	14	14	14	10	10
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	9.23	9.23	9.23	9.23	9.23
Buildings maintained	6	6	6	6	6	6	6	5	5	5
Sanitary sewers (miles)	44.70	44.70	44.70	8.35	8.35	8.35	8.35	8.35	8.35	8.35
Storm sewer lift stations	3	3	2	2	2	2	2	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	136	136
Valves	153	153	153	153	153	153	153	153	143	143
Pump stations	1	1	1	1	1	1	1	1	1	1
Interconnects	2	2	2	2	2	1	1	1	1	1
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.



November 8, 2018

To: Joe Wade, City Administrator

From: Cheri Graefen, Assistant Finance Director

Subject: Past Due Sewer Billing

As of 4/1/17, the City began billing residents for sewer service at \$60/quarter with the most recent invoice sent in October for the period 7/1/18 - 9/30/18.

For past due balances, the City began adding a 10% late fee charge per month to the outstanding account balance in order to encourage residents to remit payments.

As of 10/31/18, there are 201 accounts with a past due balance over 90 days that exceeds \$100. The over 90-day total for these 201 accounts is \$58,398. Some accounts have never paid their sewer bill. For our initial collection effort, we are planning to send a past due notice to those residents whose balance is over \$100 in the over 90-day category after the next due date for payments which is 11/11/18.

In planning, Staff has also discussed options available for the next collection step. These options include delivering a final notice along with a red door tag and submitting the account for collection. We would also like to consider water shutoff if that is authorized and acceptable for the very small portion of customers with applicable water and sewer services.

We are currently looking for feedback and direction from City Council to determine what the next step will be in the collection effort if payment is not received after the past due notice is sent next week.



City of Prospect Heights

10A

Department of Engineering
8 North Elmhurst Road, Prospect Heights Illinois, 60070-6070
Office: 847/398-6070 x 210-FAX: 847/590-1854
www.prospect-heights.il.us

To: Joe Wade, City Administrator
Date: October 30, 2018
Re: Public Works Concrete Pad & 3 Cul-de-Sacs in Rob Roy Subdivision
Add Cost to 2018 Road Program

I have discussed this with Mark Roscoe, Director of Public Works, and we requested that the contractor for the road program submit a price to install a 12" thick concrete pad, 30' by 40', in front of the salt dome at Public Works yard. This work includes removal of the existing deteriorate asphalt pavement, disposal of offsite and installation of new concrete pavement.

This item was budgeted in the current City budget. Mark and I believe that having the roadway contractor and their subcontractor install this work is the most practical way to have this work done and likely the most cost effective way. I requested that Builders Paving provide a quote to do this work. Their quote was \$16.50 per square foot, which equals \$19,800 for the entire concrete pad, including removals.

A second requested additional cost to the project is for the pavement subbase removal and replacement for the 3 cul-de-sacs along Country Club Drive. After pavement removal for these cul-de-sacs, the existing subbase was found to be in poor condition and needs to be removed to provide a stable base for paving operations. Approximately 6 inches of material will be removed and replaced with a suitable CA-6 stone base. This work will be compensated under current contract bid unit prices. The additional cost for removal and replacement materials for the substandard base material on the 3 cul-de-sacs is \$22,000.

The summary of additional costs and total contract value for the road program are:

- Removal and Replacement of base for 3 cul-de-sacs \$22,000
- Concrete Pad at Public Works Yard \$19,800
 - Total Requested Additional Cost to Project \$41,800
 - Base Bid + Previously Approved Change Orders \$1,506,659.00
 - Revised Contract Amount \$1,548,459.00

I recommend that the replacement of poor subgrade for the cul-de-sacs in Rob Roy subdivision and the concrete pad installation at Public Works be added to the current road program.

Respectfully,

Steven D. Berecz, PE

Steven D. Berecz, PE

City Engineer

847-398-6070 x210

sberecz@prospect-heights.org

REQUEST FOR CHANGE ORDER

18033-4617-

Steven D. Berecz, PE

City Of Prospect Heights

8 N. Elmhurst Road

Prospect Heights, IL 60070

City of Prospect Heights 2018 Road Program; 4755.048

RCO # 18033-02

Project # 18033

Description	Quantity	Unit	Unit \$	Extended \$
PCC Pad 12"	1,200.000	SF	\$16.50	\$19,800.00
Subtotal:				\$19,800.00
Conditions (0%):				\$0.00
Bond Cost:				\$0.00
Net Amount of this Request:				\$19,800.00

Please provide a lump sum cost for my review for the following. The work can be scheduled when convenient for your crews, but would need to be coordinated with City staff. The area is in front of the salt dome, so having this done within the next month would be helpful.

Two pictures attached showing the general area:

PW Yard located at 401 Piper Lane.

Approximately 30'x40', by 12" thick concrete pad will need to be installed. Class SI.

Works includes pavement/stone/material removal as necessary and legal disposal offsite to install the new concrete pad. Stone is not required, but if you want you can respread the removed stone as a level base. Full depth sawcuts are required along 3 edges of the patch. The one edge is butts against the salt dome.

Resolution R-18-39

A Resolution Approving Additional Work for the Installation of Public Works Salt Dome Concrete Pad and Pavement Subbase Removal and Replacement for Three Cul-de-sacs Along Country Club Drive, for a Total Cost of \$41,800, with Builders Paving

Whereas, the City of Prospect Heights solicited bids for 2018 paving and concrete work program and awarded the contract work to the lowest responsible bidder, Builders Paving; and,

Whereas, subsequent to the awarding of this bid, it was determined additional work was required for the pavement subbase removal and replacement of three cul-de-sacs along Country Club Drive and the replacement of deteriorating asphalt at the Public Works Salt Dome with a concrete base; and,

Whereas, the City Council of the City of Prospect Heights finds it is in the best interest of the City to authorize this additional work from Builders Paving at a cost not to exceed \$41,800.

Now, Therefore, Be It Resolved by the City Council of the City of Prospect Heights, Cook County, Illinois as follows:

Section One: That the additional work from Builders Paving is authorized and accepted.

Section Two: The City Administrator, or his designee, is authorized to take all necessary steps to implement this resolution.

Section Three: This resolution shall be in full force and effect from and after its passage and approval as required by law.

Passed and Approved this 12th day of November, 2018.

Nicholas J. Helmer, Mayor

Attest:

City Clerk

Ayes: _____

Nays: _____

Absent: _____

October 12, 2018

Mr. Joe Wade
City Administrator
City of Prospect Heights
8 N. Elmhurst Road
Prospect Heights, IL

625 Forest Edge Drive, Vernon Hills, IL 60061

TEL 847.478.9700 ■ FAX 847.478.9701

www.gha-engineers.com

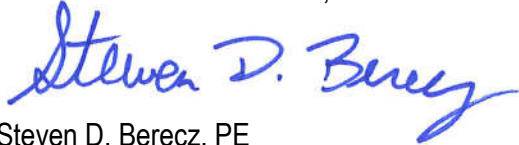
Re: Civil Engineering Services Agreement
Sanitary Sewer Capital Improvement Plan (CIP) & Review of Sewer Videotapes
GHA Proposal No. 2018.M062

Dear Mr. Wade:

On behalf of Gewalt Hamilton Associates, Inc. (GHA), we thank you for the opportunity to submit this proposal to assist the City with review of sanitary sewer tapes and development of a long-term CIP plan for rehabilitation of sanitary sewers.

We trust that our proposal will meet with your favorable review. We look forward to further discussing your project and ideas for implementation with you and your staff in greater detail.

Sincerely,
Gewalt Hamilton Associates, Inc.



Steven D. Berecz, PE
Senior Engineer
sberecz@gha-engineers.com

Encl.: GHA Proposal No. 2018.M062

Civil Engineering Services Agreement
Sanitary Sewer Capital Improvement Plan (CIP) &
Review of Sewer Videotapes
Prospect Heights, Illinois
GHA Proposal No. 2018.M062

City of Prospect Heights (Client), 8 N. Elmhurst Road, Prospect Heights, IL 60070, and Gewalt Hamilton Associates, Inc. (GHA), 625 Forest Edge Drive, Vernon Hills, IL 60061, agree and contract as follows:

I. Project Understanding

Recently the City hired a contractor (American Underground Inc.) to televise about 50% of the sanitary sewers in the City, or about 116,000 feet. This contract is anticipated to be completed in November of 2018. It is the City's desire to have the videos reviewed by a consulting engineering firm, develop a spreadsheet of the findings of the videos and finally develop a CIP for sanitary sewer rehabilitation.

II. Scope of Services

A. Review of Sewer Videos

1. Review contractor supplied CCTV report/video for quality and accuracy and confirm they completed all pipe segments
2. Review NASSCO PACP score and combine (LOF) Likely hood of failure, (COF) consequence of failure for each segment
3. Finalize overall score for each pipe segment

B. Develop CIP Plan

1. Prioritize each segment of pipe from highest to least priority and collect input from village staff if they agree on our recommendation
2. Develop a multiple year recommended rehabilitation plan

C. Final CIP Plan and Engineer's Opinion of Probable Costs

1. Supply the village with a detailed sheet showing final findings, map location of problem area, and a summary of the overall condition of the sewer collection system that was CCTV
2. Based on the final CIP plan, GHA will develop an Engineer's Opinion of Probable Cost utilizing the estimated quantities, our internal database of unit rates from similar projects, market conditions, and other factors.

D. Project Management and Review Meetings

1. Representatives from GHA will attend progress meetings with City staff at the 50%, 80% and the 100% completion submittals.
-

III. Compensation for Services

For the services noted above, GHA proposes billing on a time and material basis in accordance with the City of Prospect Heights hourly rates. We propose a not-to-exceed labor ceiling of \$18,500 for this project. This includes meetings at the City during the project and one meeting to present the overall CIP report to the City Council.

Reimbursable expenses such as printing, messenger service, mileage etc. will be billed directly to the City of Prospect Heights without markup. We anticipate these costs to be less than \$300 for this project.

Invoices will be submitted on a monthly basis and will detail charges made against the project and services performed. This allows the Client to review the status of the work in progress and the charges made. Please see *Attachment A*, which is attached hereto and is incorporated herein, for the General Provision of this Agreement.

IV. Key Personnel

Mr. Steven D. Berecz, PE will oversee the project and will attend all meetings. Mr. Michael J. Grinnell, Senior Engineering Technician, will be responsible for review of the sewer tapes and will be instrumental in assisting Steven with development of the CIP rehabilitation program. They will be assisted by other professional staff as necessary.

V. Project Timeframe

It is anticipated that the contractor will complete the televising of all sewers by around the end of November of 2018. GHA anticipates commencing review of sewer tapes in early December. The review will be completed by January 15, 2019. Around which time the 50% review meeting will be held with the City.

The draft capital improvement plan (CIP) will be submitted to the City by February 1, 2019, at which time the 80% review meeting will be held at the City. It is anticipated that the final CIP report will be submitted to the City by February 10, 2019.

VI. General Conditions of this Agreement

The delineated services provided by Gewalt Hamilton Associates, Inc., (GHA) under this Agreement will be performed as reasonably required in accordance with the generally accepted standards for civil engineering and surveying services as reflected in the contract for this project at the time when and the place where the services are performed.

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or GHA. GHA's services under this Agreement are being performed solely for the Client's benefit, and no other party or entity shall have any claim against GHA because of this Agreement or the performance or nonperformance of services hereunder. In no event shall GHA be liable for any loss of profit or any consequential damages.

GHA, Inc. shall not have control of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for job site safety measures. Such control is the sole responsibility of the Client's contractor.

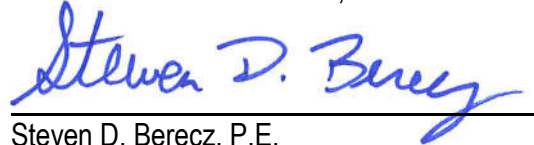
The Client and GHA agree that all disputes between them arising out of or relating to this Agreement or the Project shall be submitted to nonbinding mediation in Chicago, Illinois unless the parties mutually agree otherwise.

This Agreement, including all subparts and Attachment A, which is attached hereto and incorporated herein as the General Provisions of this Professional Services Agreement, constitute the entire integrated agreement between the parties which may not be modified without all parties consenting thereto in writing.

By signing below you indicate your acceptance of this Agreement in its entirety.

Gewalt Hamilton Associates, Inc.

City of Prospect Heights



Steven D. Berecz, P.E.
Senior Engineer

Name: _____

Title: _____

Date: _____

Encl.: Attachment A
Mike Grinnell resume



Michael J. Grinnell

Senior Engineering Technician

Gewalt Hamilton Associates, Inc.
847-821-6282 | mgrinnell@gha-engineers.com

Experience

Michael J. Grinnell is Senior Engineer Technician with over 30 years public works of experience in the sewer and water industry. His career has concentrated on the maintenance and rehabilitation of water collection and delivery systems. Mr. Grinnell works with GHA's Construction & Survey and Municipal Divisions, combining his strong client and contractor relationships with decades of experience.

Mr. Grinnell retired from Lake County Public Works, where he was responsible for managing all aspects of water and sanitary sewer maintenance and improvement projects. He collaborated with a cross-functional team to develop five-year capital improvement plans, and was directly involved in developing annual budgets in excess of \$50 million for operation, maintenance, replacement and construction. Mr. Grinnell was also responsible for providing maintenance and replacement/rehabilitation recommendations for potable water and sewer facilities with over 16,000 features responsible for treatment and delivery to 19 public systems.

2016 Sewer Rehabilitation, Lake County Public Works

Mr. Grinnell served as the Project Manager for the \$260,000 sewer rehabilitation project. Improvements included approximately 5,000 LF of CIPP lining, pressure grouting, heavy cleaning, CCTV for confirmation pre- and post-liner installation, and CIPP t-liners for service connections. Mr. Grinnell was responsible for field engineering, construction observation and documentation, material inspection coordination, quantity measurements, and coordination with residents.

2014 – 2017 East Main Pump Station 30" Forcemain Inspection and Rehabilitation

Mr. Grinnell worked as the Resident Engineer for this project in which an advanced "smart-ball" technology was used to inspect an active force main. A bypass plan was developed allowing for installation of the pig launch station, thereby facilitating cleaning and CCTV of the forcemain. The rehabilitation was performed by applying a spray coating method at multiple corroded areas. Mr. Grinnell was responsible for all aspects of construction oversight, including ensuring conformance with plans and specifications, schedule and budget adherence, material inspection management, and coordination between the County, residents, and the contractor.

2013/2014 Sewer Rehabilitation, Lake County Public Works

Mr. Grinnell served as the Project Manager for this \$1.6 million sewer rehabilitation project. Improvements included of 19,560 LF of CIPP lining, ranging from 8" - 24", reinstatement of 348 lateral service connections with CIPP t-liners, pressure grouting, and CCTV for confirmation pre- and post-liner installation. Mr. Grinnell was responsible for field engineering, construction observation and documentation, material inspection coordination, quantity measurements, and coordination with residents.

Multi-Year Water Main Rehabilitation Project, Lake County Public Works

Mr. Grinnell served as the Project Manager for the County's annual \$1 to 1.5 million-dollar watermain rehabilitation project. Improvements included open cut and directional boring, interior coating, and service line replacement. Working with a variety of pipe materials in both residential and rural environs, Mr. Grinnell was responsible for field engineering, construction observation and documentation, material inspection coordination, quantity measurements, and coordination with residents.

Professional Registration

OSHA Excavation Competent /
Trench safety Certification

OSHA Confine Space Permit
Required Certification

OSHA Asbestos Cement Pipe
Removal Class II Certification

FEMA Incident Command System -
ISC 100 and ISC 200

FEMA National Incident
Management System (NIMS) IS-700

FEMA National Response
Framework IS- 00

Memberships

American Public Works Association

American Water Works Association

**ATTACHMENT A TO GEWALT HAMILTON ASSOCIATES, INC.
PROFESSIONAL SERVICES AGREEMENT**

1. Standard of Care. The services provided by Gewalt Hamilton Associates, Inc., (GHA) under this Agreement will be reasonably performed consistent with the generally accepted standard of care for the Scope of Basic Services called for herein at the time when and the place where the services are provided. GHA will use reasonable care to comply with applicable codes and laws in effect at the time its services are provided.

2. Duration of Proposal. The terms of this Agreement are subject to renegotiation if not accepted within 60 calendar days of the date indicated on this Agreement. Requests for extension beyond 60 calendar days shall be made in writing prior to the expiration date. The fees and terms of this Agreement shall remain in full force and effect for one year from the date of acceptance of this Agreement, and shall be subject to revision at that time, or any time thereafter if GHA gives written notice to the other party at least 60 calendar days prior to the requested date of revision. In the event that the parties fail to agree on the new rates or other revisions, either party may terminate this Agreement as provided for herein.

3. Client Information. Client shall provide GHA with all project criteria and full information for its Scope of Basic Services. GHA may rely, without liability, on the accuracy and completeness of the information Client provides, including that of its other consultants, contractors and subcontractors, without independently verifying that information.

4. Payment. Payments are due within 30 calendar days after a statement is rendered. Statements not paid within 60 calendar days of the end of the calendar month when the statement is rendered will bear interest at the rate of one percent (1.0%) per month until paid. The provision for the payment of interest shall not be construed as authorization to pay late. Failure of the Client to make payments when due shall, in GHA's sole discretion, be cause for suspension of services without breach or termination of this agreement. Upon notification by GHA of suspension of services, Client shall pay in full all outstanding invoices within 7 calendar days. Client's failure to make such payment to GHA shall constitute a material breach of the Agreement and shall be cause for termination by GHA. GHA shall be entitled to reimbursement of all costs actually incurred by GHA in collecting overdue accounts under this Agreement, including, without limitations, attorney's fees and costs. GHA shall have no liability for any claims or damages arising from either suspension or termination of this Agreement due to Client's breach. The Client's obligation to pay for GHA's services is in no way dependent upon the Client's ability to obtain financing, rezoning, payment from a third party, approval of governmental or regulatory agencies or the Client's completion of the project.

5. Instruments of Service. The Client acknowledges GHA's plans and specifications, including field data, notes, calculations, and all documents or electronic data, are instruments of service. GHA shall retain ownership rights over all original documents and instruments of service. All instruments of service provided by GHA shall be reviewed by Client within 10 calendar days of receipt. Any deficiencies, errors, or omissions the Client discovers during this period will be reported to GHA and will be corrected as part of GHA's Basic Services. Failure to provide such notice shall constitute a waiver. The Client shall not reuse or make, or permit to be made, any modifications to the instruments of service without the prior written authorization of GHA. The Client waives all claims against GHA arising from any reuse or modification of the instruments of service not authorized by GHA. The Client agrees, to the fullest extent permitted by law, to defend and indemnify and hold GHA harmless from any liability, damage, or cost, including attorneys' fees, arising from the unauthorized reuse or modification of the instruments of service by any person or entity. The parties agree that if elements of the Scope of Basic Services identified in this Agreement are reduced and/or eliminated by Client, then Client waives, releases and holds GHA harmless from all claims and damages arising from those reduced and/or eliminated services. If GHA's Scope of Basic Services does not include construction administration phase services, Client assumes responsibility for interpretation of the instruments of service and construction observation, and waives all claims against GHA for any act, omission or event connected thereto. Unless included in GHA's Scope of Basic Services, GHA shall not be liable for coordination with of the services of Client's other design professionals.

6. Electronic Files. The Client acknowledges that differences may exist between the electronic files delivered and the printed instruments of service. In the event of a conflict between the signed / sealed printed instruments of service prepared by GHA and the electronic files, the signed / sealed instruments of service shall control. GHA's electronic files shall be prepared in the current software GHA uses and will follow GHA's standard formatting unless the Scope of Basic Services requires otherwise. Client accepts that GHA makes no warranty that its software will be compatible with other systems or software.

7. Applicable Codes. The Client acknowledges that applicable laws, codes and regulations may be subject to various, and possibly contradictory, interpretations. Client accepts that GHA does not warrant or guarantee that the Client's project will comply with interpretations of applicable laws, codes, and regulations as they may be interpreted to the project. Client agrees that GHA shall not be responsible for added project costs, delay damages, or schedule changes arising from unreasonable or unexpected interpretations of the laws, codes, or regulations applied to the project, nor for changes required by the permitting authorities due to changes in the law that became effective after completion of GHA's instruments of service. Client shall compensate GHA for additional fees required to revise the instruments of service to comply with such interpretations. Client shall also compensate GHA for additional fees required to revise the instruments of service if Client changes the project scope after GHA's completes its instruments of service.

8. Utilities and Soils. When the instruments of service include information pertaining to the location of underground utility facilities or soils, such information represents only the opinion of the engineer as to the possible locations. This information may be obtained from visible surface evidence, utility company records or soil borings performed by others, and is not represented to be the exact location or nature of these utilities or soils in the field. Client agrees that GHA may reasonably rely on the accuracy and completeness of information furnished by third parties respecting utilities, underground conditions and soils without performing any independent verification. Contractor is solely responsible for utility locations, their markings in the field and their placement on the plans based on information they provided. Client agrees GHA is not liable for damages resulting from utility conflicts, mistaken utility locates, unfavorable soils, and concealed or unforeseen conditions, including but not limited to added construction costs and/or project delays. If the Client wishes to obtain the services of a contractor to provide test holes and exact utility locations, GHA may incorporate that information into the design and reasonably rely upon it. If not included in the Scope of Basic Services, such work will be compensated as additional services.

9. Opinion of Probable Construction Costs. GHA's Scope of Basic Services may include the preparation of an opinion of probable construction costs. Client acknowledges that GHA has no control over the costs of labor, materials, or equipment, or over the contractor's methods of determining prices, or over competitive bidding or market conditions. Opinions of probable costs, shall be made on the basis of experience and qualifications applied to the project scope contemplated by this Agreement as well as information provided by Client (the accuracy and completeness of which GHA may rely upon), and represent GHA's reasonable judgment. Client accepts that GHA does not guarantee or warrant that proposals, bids, or the actual construction costs will not vary from opinions of probable cost prepared for the Client. GHA shall not be liable for cost differentials between the bid and/or actual costs and GHA's opinion of probable construction costs. Client agrees it shall employ an independent cost estimator if, based on its sole determination, it wants more certainty respecting construction costs,

10. Contractor's Work. Client agrees that GHA does not have control or charge of and is not responsible for construction means, methods, techniques, sequences or procedures, or for site or worker safety measures and programs including enforcement of Federal, State and local safety requirements, in connection with construction work performed by the Client or the Client's construction contractors. GHA is not responsible for the supervision and coordination of Client's construction contractors, subcontractors, materialmen, fabricators, erectors, operators, suppliers, or any of their employees, agents and representatives of such workers, or responsible for any machinery, construction equipment, or tools used and employed by contractors and subcontractors. GHA has no authority or right to stop the work. GHA may not direct or instruct the construction work in any regard. In no event shall GHA be liable for the acts or omissions of Client's construction contractors, subcontractors, materialmen, fabricators, erectors, operators or suppliers, or any persons or entities performing any of the work, or for failure of any of them to carry out their work as called for by the Construction Documents. The Client agrees that the Contractor is solely responsible for jobsite and worker safety and warrants that this intent shall be included in the Client's agreement with all prime contractors. The Client agrees that GHA and GHA's personnel and consultants (if any) shall be defended/indemnified by the Contractor for all claims asserted against GHA which arise out of the Contractor's or its subcontractors' negligence, errors or omissions in the performance of their work, and shall also be named as an additional insured on the Contractor's and subcontractors' general liability insurance policy. Client warrants that this intent shall be included in the Client's agreement with all prime contractors. If the responsible prime contractor's agreement fails to comply with the Client's intent then the Client agrees to assume the duty to defend and indemnify GHA for claims arising out of the Contractor's or subcontractors' negligence, errors or omissions in the performance of their work.

11. Contractor Submittals. Shop drawing and submittal reviews by GHA shall apply only to the items in the submissions that concern GHA's scope of Basic Services and only for the purpose of assessing if, upon successful incorporation in the project, they are generally consistent with the GHA's Instruments of Service. Client agrees that the Contractor is solely responsible for the submissions and for compliance with the Instruments of Service. Owner agrees that GHA's review and action in relation to the submissions does not constitute the provision of means, methods, techniques, sequencing or procedures of construction or extend to jobsite or worker safety. GHA's consideration of a component does not constitute acceptance of an assembled item.

12. Hazardous Materials. Client agrees that GHA has no responsibility or liability for any hazardous or toxic materials, contaminants or pollutants.

13. Record Drawings. If required by the Scope of Basic Services, record drawings will be prepared which may include unverified information compiled and furnished by others, the accuracy and completeness of which GHA may reasonably rely upon. Client accepts that GHA shall not verify the information provided to it and agrees GHA will not be responsible for any errors or omissions in the record drawings due to incorrect or incomplete information furnished by others to GHA.

14. Disputes. Client agrees to limit GHA's total aggregate liability to the Client for GHA's alleged acts, errors or omissions to \$50,000 or the amount of GHA's paid fees for its services on the project, whichever is greater. GHA's liability to Client shall be limited to twelve months from the last invoice submitted to Client by GHA, regardless of payment by Client. GHA makes no guarantees or warranties, either expressed or implied, including any warranty of habitability or fitness for a particular purpose. The parties agree to waive all claims against the other for any and all consequential damages, including attorneys' fees. The parties agree to waive against each other all rights and claims otherwise covered by property insurance, by builder's risk insurance or by all risk insurance, including but not limited to subrogation rights regardless of whether the claims arise during or post-construction and regardless of final payment to GHA.

All disputes arising out of or relating to this Agreement shall first be negotiated between the parties. If unresolved, the dispute shall be submitted to mediation as a condition precedent to litigation. Mediation shall take place in Chicago, Illinois unless the Client and GHA mutually agree otherwise. The fees and costs of the mediator shall be apportioned equally between the parties. If mediation is unsuccessful, litigation shall be the form of dispute resolution and shall be filed in the jurisdiction where the project was pending. The controlling law shall be the law of the jurisdiction where the project was located. Client agrees that all causes of action under this Agreement shall be deemed to have accrued and all statutory limitations periods shall commence no later than the date of GHA's services being substantially completed. Client agrees that any claim against GHA arising out of this Agreement shall be asserted only against the entity and not against GHA's owners, officers, directors, shareholders, or employees, none of whom shall bear any liability and may not be subject to any claim.

15. Miscellaneous. Either Client or GHA may terminate this Agreement without penalty at any time with or without cause by giving the other party ten (10) calendar days prior written notice. The Client shall, within thirty (30) calendar days of termination pay GHA for all services rendered and all costs incurred up to the date of termination in accordance with compensation provisions of this Agreement. Client shall not assign this Agreement without GHA's prior written consent. There are no third-party beneficiaries to this Agreement.

Resolution R-18-40
Resolution Authorizing a Civil Engineering Services Agreement with Gewalt Hamilton Associates, Inc. for Review of Sanitary Sewer Inspection Videotapes and the Creation of a Sanitary Sewer Capital Improvement Plan

Whereas, the City of Prospect Heights has undertaken the televised inspection and cleaning of the City's sanitary sewer system; and,

Whereas, the product of this effort will require the review and evaluation by an experienced professional to determine the condition of the sewer pipes and provide a prioritized assessment for rehabilitation work; and,

Whereas, this prioritized assessment work will result in the development of a capital improvement plan for the rehabilitation of the City sanitary sewer system; and,

Whereas, the City has received a proposal from Gewalt Hamilton Associates, Inc., for this needed work.

Now, therefore, be it resolved by the City Council of the City of Prospect Heights, Cook County, Illinois as follows:

Section One: That the Civil Engineering Services Agreement Sanitary Sewer Capital Improvement Plan & Review of Sewer Videotapes Prospect Heights, Illinois GHA Proposal No. 2018.MO62, at a cost not to exceed \$18,500, is authorized and accepted.

Section Two: The City Administrator, or his designee, is authorized to take all necessary steps to implement this resolution.

Section Three: This resolution shall be in full force and effect from and after its passage and approval as required by law.

Passed and Approved this 12th day of November, 2018.

Nicholas J. Helmer, Mayor

Attest:

City Clerk

Ayes: _____

Nays: _____

Absent: _____

Resolution No. R-18-43**A RESOLUTION AMENDING THE PURCHASE AGREEMENT FOR 25-35 PIPER LANE**

WHEREAS, the City of Prospect Heights, Cook County (the “City”) is an Illinois Municipal Corporation pursuant to the Illinois Constitution of 1970 and the Statutes of the State of Illinois; and

WHEREAS, the City of Prospect Heights entered into a Real Estate Purchase and Sales Contract (the “Contract”) with Conor Commercial Real Estate LLC (“Conor”) for the sale of City-owned and land commonly known as 25 & 35 Piper Lane, Prospect Heights, Illinois 60070; and

WHEREAS, the Contract was executed on August 27, 2018 pursuant to Resolution; and

WHEREAS, the City and Conor wish to modify, by amendment, the Contract to reflect a change in the designation of the title company from First American Title Insurance Company to Near North National Title; and

WHEREAS, the amendment will not result in any increased cost to the City; and

WHEREAS, City Council finds that the amendment is necessary, convenient and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS:

SECTION ONE: The City Council finds the above recitals are true and correct and incorporates the same as part of this resolution.; and

SECTION TWO: The City Council hereby approves the Amendment to Real Estate Purchase and Sales Contract, attached hereto as Exhibit A, and hereby authorizes the Mayor to execute any associated documents.

PASSED AND APPROVED this 12th day of November, 2018.

Nicholas J. Helmer, Mayor

ATTEST:

City Clerk

AYES: _____

NAYS: _____

ABSENT: _____

EXHIBIT A
Amendment to Real Estate Purchase and Sales Contract

AMENDMENT TO REAL ESTATE PURCHASE AND SALES CONTRACT

THIS AMENDMENT TO REAL ESTATE PURCHASE AND SALES CONTRACT (this "**Amendment**") is made and entered into as of the 1st day of November, 2018, by and between and **CONOR COMMERCIAL REAL ESTATE LLC**, a Delaware limited liability company ("**Buyer**"), and the **CITY OF PROSPECT HEIGHTS**, an Illinois non-home rule municipal corporation ("**Seller**").

A. Seller and Buyer are parties to a certain Real Estate Purchase and Sales Contract dated as of August 27, 2018 (the "**Contract**"), pursuant to which Seller has agreed to sell to Buyer, and Buyer has agreed to purchase from Seller, approximately 10.09 acres of land commonly known as 25 & 35 Piper Lane, Prospect Heights, Illinois 60070 and more particularly described in the Contract, together with certain other interests, as the "Property";

B. Seller and Buyer wish to amend the Contract as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, and the above recitals which are by this reference incorporated herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the parties hereto agree as follows:

1. Amendment to the Contract. In Section 4 of the Contract, "First American Title Insurance Company's" is deleted and replaced with "Near North National Title's". Seller agrees to cooperate with Buyer to cause the Earnest Money to be moved from First American Title Insurance Company to Near North National Title following full-execution hereof.

2. Continuing Effectiveness. Except as specifically modified by this Amendment, all other terms of the Contract shall remain in full force and effect, without further modification, unless agreed to by Seller and Buyer in writing.

3. Defined Terms. Capitalized terms used but not otherwise defined in this Amendment shall have the meanings ascribed to such terms in the Contract.

4. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of such counterparts together shall constitute one and the same instrument. This Amendment, to the extent signed and delivered by means of a facsimile machine, electronic mail or other electronic method containing a reproduced signature, shall be treated in all manner and respects as an original contract and shall be considered to the same binding legal effect as if it were the original signed version thereof delivered in person.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

BUYER:

CONOR COMMERCIAL REAL ESTATE LLC,
a Delaware limited liability company

By: _____

Daniel P. McShane, Secretary

SELLER:

CITY OF PROSPECT HEIGHTS,
an Illinois non-home rule municipal corporation

By: _____

Nicholas J. Helmer, Mayor



City of Prospect Heights

Department of Building & Zoning
8 North Elmhurst Road, Prospect Heights Illinois, 60070-6070
Office: 847/398-6070 x 211-FAX: 847/590-1854
www.prospect-heights.il.us

11A

MEMORANDUM

Date: October 15, 2018

To: Mayor Helmer and City Council

Cc: Joe Wade, City Administrator

From: Daniel A. Peterson, Director of Building & Development

Subject: Ordinance #O-18-35 Approving a Special Use Permit for an Automobile Storage Facility
1326 N. Rand Road, Prospect Heights, IL – Village Cycle Sports

ISSUE: Consideration of a Special Use Permit for an Automobile Storage Facility located at 1326 N. Rand Road, Prospect Heights, IL – Village Cycle Sports

BACKGROUND:

The PZBA held a public hearing on September 25, 2018 to hear ZBA Case #18-11 SU, an application for a Special Use Permit to allow an automobile storage facility in the B-3 Commercial, Wholesale and General Service District. The applicant, Joe Eberhardt, Village Cycle Sport, is proposing to use 6,850 sq. ft. of the western portion of his existing parking lot as rental automobile storage. There is surplus parking on site that the owner would like to use for this purpose. The parking classification per code is Class #10 and the retail store requires 36 parking spaces for a 6,000 sq. ft. retail store. The surplus area would support approximately 15 leasable parking spaces. The site plan shows that the parking lot is capable of providing the required spaces necessary to accommodate the use.

After hearing testimony and deliberation, the PZBA voted unanimously to recommend to the City Council approval of the Special Use Permit for an automobile storage facility in the B-3 Commercial, Wholesale and General Services District with conditions. The conditions include:

1. Lease vehicle storage shall be restricted to the west 6,850 sq. ft. of the parking lot shown in Exhibit B.
2. Semi-Truck and trailer parking is prohibited.
3. Storage of construction material and equipment are not allowed.
4. Idling of vehicles after 11:00 p.m. and prior to 7:00 a.m. is prohibited.
5. The wooden fence along the west property line shall be repaired and in a sound condition.
6. The property owner shall provide upon demand the ownership and contact information of all vehicles stored on the property.

The applicant has requested a waiver of first reading. Staff concurs with the recommendation.

RECOMMENDATION: Waive 1st reading and Approve an Ordinance #O-18-35 granting a Special Use Permit for an Automobile Storage Facility, 1326 N. Rand Road, Prospect Heights, IL – Village Cycle Sports

ORDINANCE NO. O-18-35

**AN ORDINANCE APPROVING A SPECIAL USE PERMIT TO ALLOW AN
AUTOMOBILE STORAGE FACILITY AT 1326 N. RAND ROAD, ARLINGTON
HEIGHTS, IL**

WHEREAS, the Zoning Ordinance requires a Special Use Permit to permit automobile storage facility in the B-3 Commercial, Wholesale and General Service District; and

WHEREAS, The Joe Eberhardt, (Petitioner), has filed an application for an automobile storage facility not to exceed 20 parking spaces at 1326 N. Rand Road, Arlington Heights, Illinois (the "Property"); and

WHEREAS, the Plan Zoning Board of Appeals (PZBA) held a public hearing on September 27, 2018, regarding said application; and

WHEREAS, the PZBA has found the application meets the standards for a special use and has recommended that the City Council grant such relief; and

WHEREAS, the Mayor and City Council has reviewed the documents pertinent to the application and the recommendations of the PZBA, concurs with the findings of the PZBA and finds that the standards for the special use have been met;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE
CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS** as follows:

SECTION ONE. The City Council hereby finds and determines that the facts and conditions set forth in the preamble hereto are true, correct and appropriate and hereby adopts same as part of this Ordinance.

SECTION TWO. That a Special Use Permit is hereby granted for an automobile storage facility on the Property and shall run with the use and not with the land.

SECTION THREE. The above approval is granted with the following conditions:

1. Lease vehicle storage shall be restricted to the west 6,850 sq. ft. of the parking lot shown in Exhibit B.
2. Semi-Truck and trailer parking is prohibited.
3. Construction material storage is prohibited.
4. Idling of vehicles after 11:00 p.m. and prior to 7:00 a.m. is prohibited.
5. The wooden fence along the west property line shall be repaired and in a sound condition.
6. The property owner shall provide upon demand the ownership and contact information of all vehicles stored on the property.

SECTION FOUR. That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

PASSED and APPROVED this _____ day of _____, 2018.

Nicholas J. Helmer, Mayor

ATTEST:

City Clerk

AYES:

NAYS:

ABSENT:

Published in pamphlet form: _____, 2018

Exhibit A

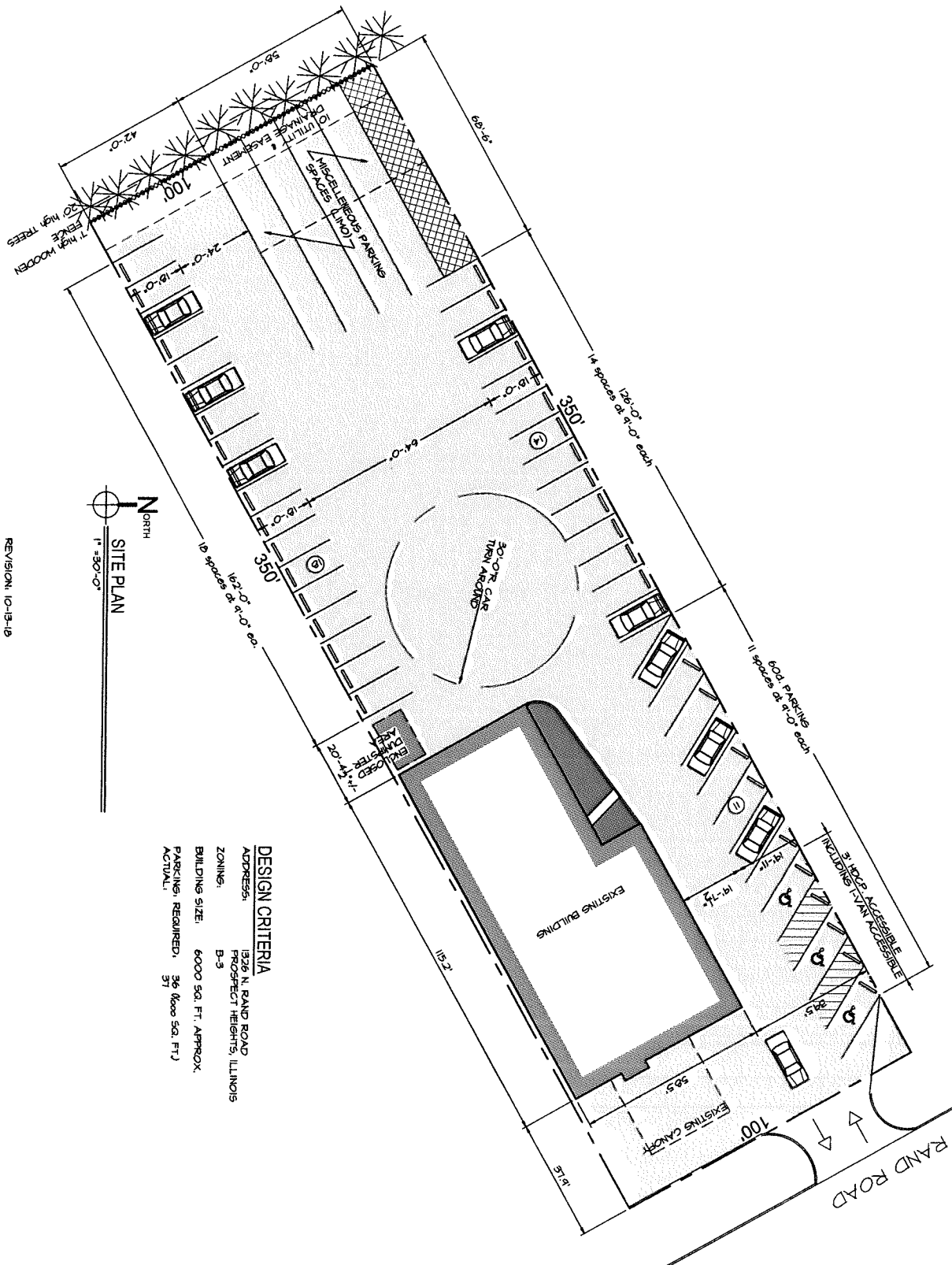
Legal Description 1326 N. Rand Rd., Arlington Heights, IL 60004

LOTS 4 AND 5 IN C.H. TAYLOR'S SECOND ARLINGTON HEIGHTS ACRES, BEING A SUBDIVISION OF THAT PART OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN. LYING SOUTH OF RAND ROAD, IN COOK COUNTY, ILLINOIS.

Pin #03-21-304-006-0000 AND #03-21-304-007-0000

Exhibit B

Site Plan Date 10-13-18



REVISION: 10-13-18

N
SITE PLAN
1" = 30'-0"

DESIGN CRITERIA
 ADDRESS: 1326 N. RAND ROAD
 ZONING: B-3
 BUILDING SIZE: 6000 SQ. FT. APPROX.
 PARKING, REQUIRED: 36 (6000 SQ. FT.)
 ACTUAL: 37

November 5, 2018

To: Joe Wade, City Administrator

From: Michael DuCharme, Director of Finance

Subject: Request Approval to Enter Into a Contract with PMA Financial Network ,Inc.

Background:

For the past couple of months staff has been working to update the City of Prospect Heights Investment policy. Prior to the last council meeting staff met with Alderman Ludvigsen and Treasurer Tibbits to review the changes and discuss having PMA Financial Network, Inc. assist the City in setting up an efficient cash management program.

Analysis:

Eric Stoltz from PMA Financial Network will be making a presentation related to the Investment Management and Financial Services that they offer and also answer any question related to the program. Upon approval it is our intent to have PMA prepare a cash flow analysis to identify the current city cash requirements and maximize the investment of short term fund in certificate of deposits, treasuries and competitive short –term liquid investments such as money market accounts and/or Illinois Funds. It is our intent to create an investment process as efficient as possible having investments placed on a monthly or bimonthly basis as needed.

Recommendation:

Request approval to enter into a contract with PMA Financial Network, Inc. for financial management and investment services.

RESOLUTION R-18-41

A RESOLUTION AUTHORIZING PMA FINANCIAL NETWORK, INC. AND PMA SECURITIES, INC. TO PROVIDE INVESTMENT SERVICES FOR THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS

WHEREAS, the City of Prospect Heights is a municipal entity duly organized and operating pursuant to the laws of the State of Illinois; and

WHEREAS, the City Council of the City of Prospect Heights, Cook County, Illinois, deems it to be in the best interest of this unit of local government for its Finance Director to make use, from time to time, of investments which are legal under the applicable State Statutes; and

WHEREAS, a list of such investments (Investment Policy) has been presented to this Council; and

WHEREAS, this Council deems it to be in the best economic and administrative interest of this unit of local government for its Finance Director to make use of, from time to time, PMA Financial Network, Inc. and PMA Securities, Inc. in securing such investments;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Prospect Heights, Cook County, Illinois, as follows:

Section 1: That the Finance Director shall make use of investments legal under the applicable State statutes approved in the Investment Policy and such Investment Policy be placed in the minutes of the meeting at which this Resolution was adopted; and that when needed, notice of the modifications made to the Investment List from time to time be provided by the Finance Director; and

Section 2: That monies of this unit of local government may be invested at the discretion of its Finance Director or those acting on behalf of the Treasurer through the intermediary (PMA Securities, Inc. and PMA Financial Network, Inc.), and

Section 3: That the unit of government may open a depository account and enter into wire transfer agreements, third party surety agreements, safekeeping agreements, collateral agreements and lockbox agreements with BMO Harris Bank and other institutions participating in PMA Programs for the purpose of transaction clearing and safekeeping or the purchase of insured certificates of deposit through PMA's Insured CD Program, and PMA Financial Network, Inc. and/or PMA Securities, Inc. are authorized to act on behalf of this entity as its agent with respect to such accounts and agreements, and

Section 4: That the Finance Director or those acting on behalf of the Finance Director may execute documents, financial planning contracts, financial advisory contracts and other applicable agreements, as necessary, with PMA Financial Network, Inc., PMA Securities, Inc. The following individuals, or their successors, currently holding the office or position are

designated as “Authorized Officials” with full power and authority to effectuate the investment and withdrawal of monies, contracts and agreements on behalf of this unit of local government entity:

Name: _____ Signature _____

Name: _____ Signature _____

Name: _____ Signature _____

Name: _____ Signature _____

Section 5: That all resolutions or parts of resolutions in conflict with or inconsistent with the provision of this Resolution are hereby repealed to the extent of any such conflict or inconsistency; and

Section 6: That this Resolution shall be in full force and effect from and after the date of its passage and approval.

PASSED AND APPROVED this 12th day of November, 2018.

Nicholas J. Helmer, Mayor

ATTEST:

City Clerk

Ayes: _____

Nays: _____

Absent: _____



City of Prospect Heights

Department of Building & Development

8 North Elmhurst Road, Prospect Heights Illinois, 60070-6070

Office: 847/398-6070 x 211 FAX: 847/590-1854

www.prospect-heights.il.us

November 5, 2018

To: Joe Wade, City Administrator

From: Michael DuCharme, Director of Finance

Subject: Investment Policy

Background:

Back in August the Council requested that the Investment Policy be revisited and updated if necessary as well as have a discussion related to the village's investments including the Police Pension Fund. In October at the direction of the City Council staff met with Alderman Ludvigsen and Treasurer Tibbits to review the changes to the policy and discuss a proposed cash management plan.

Analysis:

Attached for your review is an updated Investment Policy which applies to all financial assets of the City of Prospect Heights except for the Police Pension fund which is governed by a separate board. The most significant proposed change places the bulk of the responsibility on the Director of Finance rather than the Treasurer to make sure that authorized depositories are in compliance and that investments being made are in compliance with the statute.

Upon approval it is our intent to have a cash flow analysis undertaken to identify the current city cash requirements and maximize the investment of shorty term funds in certificate of deposits, treasuries and competitive short-term liquid investments such as money market accounts and/or Illinois Funds. It is our intent to create an investment process as efficient as possible having investments made on a monthly or bimonthly basis as needed.

Staff will be present at the meeting on November 12th to answer any questions you may have.

Recommendation:

Request approval of the attached Investment Policy.

RESOLUTION NO. R-18-42
A RESOLUTION AUTHORIZING AND ESTABLISHING AN INVESTMENT
POLICY FOR THE CITY OF PROSPECT HEIGHTS

WHEREAS, the City of Prospect Heights is a municipal entity duly organized and operating pursuant to the laws of the State of Illinois; and

WHEREAS, the City Council of the City of Prospect Heights, Cook County Illinois deems it to be in the best interest of the municipality to make use of from time to time of investments which are legal under the applicable state statutes; and

WHEREAS, the Investment Policy originally adopted in 2012 has been reviewed and updated prior to being presented to this City Council; and

NOW, THEREFORE, BE IT RESOLVE, by the Mayor and City Council of the City of Prospect Heights, located in the County of Cook, as a Non-Home Rule Municipality, that the City of Prospect Heights shall invest excess funds in accordance with the attached Investment Policy the terms of which are incorporated herein:

SECTION ONE: That the policy attached hereto as Exhibit "A" is hereby approved and accepted.

SECTION TWO: That the Finance Director and City Treasurer are authorized to implement this resolution.

SECTION THREE: That this resolution shall be in full force and effect from and after its passage and approval as required by law.

PASSED AND APPROVED this ____ day of November, 2018.

Nicholas J. Helmer, Mayor

ATTEST:

City Clerk

AYES: _____

NAYES: _____

ABSENT: _____

Exhibit “A”

City of Prospect Heights Investment Policy

Prepared By:
Finance Department

Investment Policy

I. Policy:

The City of Prospect Heights, as a public agency, has an inherent fiduciary responsibility to properly account for and manage public funds. Public funds are to be considered current operating funds, special funds, debt service and other funds of any kind or character belonging to or in the custody of any public agency (Chapter 30, paragraph 235/1 through 235/7, Public Funds Investment Act, Illinois Compiled Statutes)

II. Scope:

This investment policy applies to all financial assets of the City of Prospect Heights except for the Police Pension Fund which is subject to that individual fund board.

III. General Objectives:

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk

(a). Credit Risk

The City of Prospect Heights will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investment to the types of securities listed in Section VII of this Investment Policy.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and adviser with which the City of Prospect Heights will do business in accordance with Section V.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

(b). Interest Rate Risk

The City of Prospect Heights will minimize interest rate risk, which is the risk that the market values of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see section VIII).

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably

anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.

3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exception:

- Liquidity needs of the portfolio require that the security be sold.

A Care:

1. Prudence

The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Prospect Heights.

3. Delegation of Authority

Authority to manage the City of Prospect Heights investment program is derived from the following:

The establishment of investment policies is the responsibility of the City Council. Management and administrative responsibility for the investment program is hereby delegated to the Finance Director and Treasurer who, under the direction of the City Administrator, may establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director and Treasurer. The Finance Director and Treasurer

shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. The Finance Director and Treasurer may from time to time amend the written procedures in a manner not inconsistent with this policy or state statutes.

The responsibility for investment activities of the Police Pension Fund rest with the trustees of the respective fund board.

V. Authorized Financial Institutions, Depositories and Broker/Dealers:

The Finance Director and Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by credit worthiness. These may include “primary” dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except at a qualified public depository as established by state statutes.

All financial institutions and broker/dealers who desire to become qualified become qualified bidders for investment transactions must supply the Finance Director with the following:

- Audited financial statements demonstrating compliance with state and federal capacity adequacy guidelines
- Proof of National Association of Security Dealers (NASD) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Certification of having read the City’s Investment Policy

VI. Safekeeping and Custody:

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the City as evidenced by safekeeping receipts in the City’s name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standard No. 70, or SAS 70).

1. Internal Controls

The Finance Director and Treasurer are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City of Prospect Heights are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities

- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Authorization of wire transfers by City Administrator

Accordingly, the Finance Director and Treasurer shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures.

VII. Suitable and Authorized Investments:

The City may invest in any type of the security allowed for in Illinois Compile Statutes (30 ILCS 235/2) regarding the investment of public funds. Approved investments include:

- Bonds, notes, certificates of indebtedness, treasury bill, or any other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of American as to principal and interest;
- Bonds, notes, debentures or other similar obligations of the United States of America or its agencies;
- Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; and is insured by the Federal Deposit Insurance Corporation;
- Short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days for the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than 25% of the City's funds may be investing in short-term obligations of corporations;
- Illinois Public Treasurer's Investment Pool (Illinois Funds), and the Illinois Metropolitan Investment Fund (IMET)
- Short-term discount obligations of the Federal National Mortgage Association (FNMA) or I shares of other forms of securities or other allowable investments legally issued by savings and loan associations incorporated under the laws of this state or any other state or under the laws of the United States. Investments may be made only in those savings and loan associations of which the shares or investment certificates are insured by the Federal Deposit Insurance Corporation (FDIC).
- Investment options suitable under ILCS including Fixed Rate General Obligation Municipal Bonds whose credit quality is restrict to "AA" or better.

1. Collateralization:

It is the policy of the City of Prospect Heights and in accordance with the GFOA's Recommended Practices on the Collateralization of Public Deposits (attachment #2), the City requires that funds on deposit in excess of FDIC limits be secured with some form of collateral, including surety bonds or letters of credit. The City will accept any of the following assists as collateral:

- Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Fixed Rate General Obligation Municipal Bonds rated "AA" or better
- Obligations of the State of Illinois

(The City reserves the right to accept/reject any form of the above named securities.)

The amount of collateral provided will not be less than 105% of the fair market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured will be reviewed quarterly,

and additional collateral will be required when the ratio declines below the level required and collateral will be released if the fair market value exceeds the required level. Pledged collateral will be held in safekeeping by an independent third party depository designated by the City of Prospect Heights and evidenced by a safekeeping agreement. Collateral agreements will preclude the release of the pledged assets without an authorized signature from the City of Prospect Heights. The City realizes that there is a cost factor involved with collateralization and the City will pay any reasonable and customary fees related to collateralization.

VIII. Investment Parameters:

1. Diversification

In order to reduce the risk of default, the investment portfolio of the City of Prospect Heights shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or business sector (U.S. Treasury and Agency securities),
 - Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
 - Commercial paper shall not exceed 33% of the City's investment portfolio.
 - Brokered certificates of deposit shall not exceed 33.3% of the City's investment portfolio.
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs), money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

2. Maximum Maturities

To the extent possible, the City of Prospect Heights 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 years from the date of purchase.

Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding three year if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as LGIPs, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

IX. Reporting:

The Finance Director and Treasurer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. This report should be provided to the City Administrator and City Council . The report will include the following:

- Listing of individual securities held, by fund, at the end of the reporting period.
- Listing of investments showing maturity date and yield.
- Percentage of total portfolio which each type of investment represents.

1. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmark shall have similar weighted average as the portfolio.

2. *Market Yield*

The City's investment strategy is passive. Given this strategy, the basis used by the Finance Director and Treasurer to determine whether market yield are being achieved shall be the six-month U.S. Treasury Bill.

X. Investment Policy Adoption:

The City of Prospect Height's investment policy shall be adopted by resolution of the City Council. This policy shall be reviewed on an annual basis by the Finance Director and any modifications thereto must be approved by the City Council.

XI. Glossary:

AGENCIES: Informal name that refers to securities issued by the United States government and U.S. government sponsored instrumentalities.

ASKED: The trading price proposed by the prospective seller of securities. Also called the offer or offered price.

BANKERS' ACCEPTANCE (BA): A short-term financial instrument that is the unconditional obligation of the accepting bank.

BASIS POINT (BP): A unit of measurement for interest rates or yields that are expressed in percentages. (One hundred basis points equal 1 percent.)

BID: The trading price acceptable to a prospective buyer of securities.

BOND EQUIVALENT YIELD (BEY): An annual yield, expressed as a percentage, describing the return provided to bond holders. The BEY is a way to compare yields available from discount securities such as Treasury bills and BAs with yields available from coupon securities.

BROKER: A party who brings buyers and sellers together. Brokers do not take ownership of the property being traded. They are compensated by commissions. They are not the same as dealers; however, the same individuals and firms that act as brokers in some transactions may act as dealers in other transactions.

BROKERED AND NEGOTIABLE CERTIFICATES OF DEPOSIT: Short-term (2 to 52 weeks) large denomination (\$100,000 minimum). Certificate of Deposit that is issued at a discount on its par value, or at a fixed interest rate payable at maturity and are freely traded in secondary markets.

CERTIFICATE OF DEPOSIT (CD): A deposit of funds, in a bank or savings and loan association, for a specific term that earns interest at a specified rate or rate formula. CDs may be secured or unsecured, may be in negotiable or nonnegotiable form and may be issued in either physical or book entry form.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMMERCIAL PAPER (CP): Unsecured, short-term promissory notes issued by corporations for specific amounts and with specific maturity dates.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Village of Glenview. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.
(b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A firm or individual who buys and sells for their own account. Dealers have ownership between a purchase from one party and a sale to another party. Dealers are compensated by the spread between the price they pay and the price they receive.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): The simultaneous exchange of securities and cash. The safest method of settling either the purchase or sale of a security. In a DVP settlement, the funds are wired from the buyer's account and the security is delivered from the seller's account in simultaneous independent wires.

DISCOUNT: The amount by which the price for a security is less than its par.

DISCOUNT SECURITIES: Securities that do not pay periodic interest. Investors earn the difference between the discount issue price and the full face value paid at maturity. Treasury bills, bankers' acceptances and zero coupon bonds are discount securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S & L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT OF INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate for which overnight federal funds are traded.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-à-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA or FANNIE MAE): FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, HUD. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member while the other Presidents serve on a rotation basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): GNMA, like FNMA, was chartered under the Federal National Mortgage Association Act of 1938. Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA or FMHM mortgages. The term *pass-throughs* is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be readily converted to cash through sale in an active secondary market.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): Pools through which governmental entities may invest short term cash. Examples of LGIP's are the Illinois Funds, administered by the Illinois State Treasurer and the Illinois Metropolitan Investment Fund.

MARKET VALUE: The price at which a security could presumably be purchased or sold.

MARK TO MARKET: The process of restating the carrying value of an asset or liability to equal its current market value.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between parties. The agreement establishes each party's right in the transaction. Repurchase Agreements (REPO's) are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and then buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future), it is a repo; for the party on the other end of the transaction (buying the security and agreeing to sell in the future), it is a reverse repurchase agreement. A master agreement will often specify, among other things, the right to liquidate the underlying securities in the event of default.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The aggregation of buyers and sellers actively trading money market instruments.

OFFER OF OFFERED PRICE: The trading price proposed by the prospective seller of securities (also called the asked or asking price).

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of financial assets belonging to a single owner.

PREMIUM: The amount by which the price for a security is greater than its par amount.

PRIMARY DEALER: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unrelated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the state - the so-called *legal list*. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK: The risk that all or part of the principal may be received when interest rates are lower than when the security was originally purchased, so that the principal must be reinvested at a lower rate than the rate originally received by the investor.

REPURCHASE AGREEMENT (RP OR REPO): See Master Repurchase Agreement.

SAFEKEEPING: A service rendered by banks whereby securities and valuables of all types and descriptions are held by the bank.

SEC RULE 15C3-1: See uniform net capital rule.

SECONDARY MARKET: Markets for the purchase and sale of any previously issued financial instrument.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency with responsibility for regulating financial exchanges for cash instruments.

SPREAD OVER TREASURIES: The difference between the bond equivalent yield for any investment and the bond equivalent yield for a Treasury investment with the same maturity.

TREASURY BILLS (T-BILLS): Short-term obligations issued by the U.S. Treasury for maturities of one year or less. They do not pay interest but are issued on a discount basis instead.

TREASURY BONDS (T-BONDS): Long-term obligations issued by the U.S. Treasury with initial maturities of more than ten years.

TREASURY NOTES (T-NOTES): Medium-term obligations issued by the U.S. Treasury with initial maturities of from one to ten years.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as non-member broker dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called *net capital rule* and *net capital ratio*. Indebtedness covers all money owed to a firm including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicate. *Liquid capital* includes cash and assets easily converted to cash.

YIELD: Loosely refers to the annual return on an investment expressed as a percentage on an annual basis. For interest-bearing securities, the yield is a function of the rate, the purchase price, the income that can be earned from the reinvestment of income received prior to maturity, call or sale. Different formulas or methods are used to calculate yields.



November 5, 2018

TO: Mayor and City Council

FROM: Michael DuCharme
Finance Director

SUBJECT: **Truth in Taxation Act**
Proposed 2018 Property Tax Levies

The Truth in Taxation act requires that at least twenty (20) days prior to the passage of the tax levy ordinance, the City must estimate the amount of the tax levy. If the proposed aggregate amount of the levy is more than 105% of the amount of property taxes extended, or estimated to be extended, for the previous year, then the City must provide notice and hold a public hearing on their intention to adopt the tax levy. The hearing must take place prior to adoption of the tax levy. If a public hearing is required, notice must be provided no less than 7 days or no more than 14 days prior to the hearing. A certificate of compliance with the Truth in Taxation act must accompany the City's tax levy ordinance. **The aggregate tax to be levied is a decrease of 2.64%; therefore, the City is not required to publish a legal notice or hold a public hearing.**

The City is subject to both the Property Tax Extension Limitation Law (PTELL), more commonly referred to as the "tax cap" law, and the Prior Year Equalized Assessed Valuation (EAV) Limitation Law. PTELL limits the increase in the City's tax extension from one year to the next to the lesser of 5% or the percent increase in the Consumer Price Index (CPI), with a provision that allows taxing districts to capture additional taxes from other factors affecting the tax base, such as new property. The Prior Year EAV Limitation Law (PYELL) states that the maximum amount of the levy extended cannot exceed the statutory rate applied against the total of the prior year's EAV plus the current year's new construction.

The attached table compares the 2018 proposed levies with the respective 2017 tax levy extensions. In addition, the table provides a column that calculates the tax rates generated under the PTELL to confirm that none of the proposed tax levies exceed this limit. All of the City's proposed tax levies, subject to the PTELL restriction, are in compliance.

The 2018 proposed tax levies include: an increase in the police pension tax levy of 4.50% or \$15,856, and the continued elimination of tax levies for Special Service Area 1-4 due to the recent adoption of sewer rates.

The tax levy for the Road Construction debt and Special Service Area #6 debt will decrease in levy year 2018 by 4.73%.

The decrease in the Special Service Area #6 tax levy and the road construction reflects the amount for the referendum debt service tax levy set forth in the bond ordinances.

The Police Pension tax does not have a statutory rate limit and therefore it is not subject to the Prior Year EAV Limitation Law; however, it is subject to limitation under PTELL. In an effort to capture all available tax revenues, staff is recommending that the Police Pension tax levy be increased by 4.50% over the 2017 tax extension. This would allow the City to capture not only the growth from the CPI but also all growth from new property being added to the tax rolls. In addition, the City could realize additional growth from the 3% loss and cost added on by the County, provided it does not exceed the limiting rate under the tax cap formula.

The Special Service Area Levies for SSA 1-4 which have been eliminated used to cover the projected sanitary sewer maintenance and administrative expenses. These expenses are now covered by the recently imposed increased sanitary sewer rates. The tax levy for Special Service Area #8 the Levee 37 project area used to support maintenance of the Levee 37 project area. The remaining levy reflects anticipated maintenance during the upcoming fiscal year.

Discussion of the proposed levies is scheduled for the November 12th City Council meeting. Approval of the preliminary levy estimate will appear on the regular agenda. Once the preliminary tax levies have been determined, staff will prepare the levy ordinances for police pension and Special Service Areas #1 to #5 and #8. Below is the time frame for completion and filing of the 2018 tax levies, including compliance with the Truth in Taxation requirements.

Property Tax Levy Adoption Schedule:

November 12, 2018	Preliminary tax levy estimates approved by City Council
November 26, 2018	First Reading Tax Levy Publish legal notice of public hearing
December 10, 2018	Approve tax levy ordinances (second reading)
December 21, 2018	Deadline to file tax levy ordinances and Truth in Taxation Certificate with Cook County Clerk

Tax Agency	Maximum Allowable Tax Rate per \$100 EAV	Tax Year 2017			Proposed				
		Tax Extension	Tax Rate per \$100 EAV	Equalized Assessed Valuation (EAV)	2018 Proposed Tax Levy	Prior Year EAV Limiting Rate per \$100 EAV (1)	Projected Tax Rate per \$100 EAV (2)	Amount of Increase	Percent Increase
Special Service Area #6	No Limit	\$ 249,284	1.3256	18,805,264	\$ 240,517	N.A.	1.3296	(8,767)	-3.52%
Debt Service (Referendum)	No Limit	1,363,724	0.3437	396,799,409	1,305,236	N.A.	0.3454	(58,488)	-4.29%
Total Debt Levies		\$ 1,613,008			\$ 1,545,753				-4.17%
Police Pension Tax	No Limit	\$ 352,357	0.0888	396,799,409	\$ 368,213	N.A.	0.0954	\$ 15,856	4.50%
Special Service Area #1	0.3500	-	-	9,490,147	-	-	-	-	0.00%
Special Service Area #2	0.9300	-	-	5,396,889	-	-	-	-	0.00%
Special Service Area #3	0.4900	-	-	25,649,626	-	-	-	-	0.00%
Special Service Area #4	0.9100	-	-	4,837,889	-	-	-	-	0.00%
Special Service Area #5	0.1800	27,750	0.0604	42,619,954	25,000	0.0577	0.0598	(2,750)	-9.91%
Special Service Area #8	1.4100	128,916	0.5927	19,779,030	128,916	0.6713	0.6647	-	0.00%
		\$ 156,666			\$ 153,916				-1.76%
Corporate & Special		\$ 509,023			\$ 522,129				2.57%
Total Levy		\$ 2,122,031			\$ 2,067,882				-2.55%

(1) If a tax has a Maximum Allowable Tax Rate, it is subject to the Prior Year EAV Limiting Rate calculation.

This calculation uses the proposed levy amount and adds 3% for loss and cost. This total is divided by the sum of the Prior Year

(2) Calculated based on proposed levy amount plus 3% (5% for debt service) for loss and cost, and assumes 0% growth in equalized assessed valuation. In addition, Police Pension Tax assumes 3% in growth from New Property.

11/12/18 WARRANT LIST

Checks

General Fund	\$ 226,035.58
Motor Fuel Tax Fund	-
Palatine/Milwaukee Tax Increment Financing District	-
Tourism District	1,028.46
Development Fund	-
Drug Enforcement Agency Fund	-
Solid Waste Fund	29,410.14
Special Service Area #1	-
Special Service Area #2	-
Special Service Area #3	-
Special Service Area #4	-
Special Service Area #5	-
Special Service Area #8 - Levee Wall #37	-
Special Service Area-Constr#6(Water Main)	-
Special Service Area-Debt#6	-
Capital Improvements	36,960.25
Palatine Road Tax Increment Financing	-
Road Construction	-
Road Construction Debt	-
Water Fund	9,983.59
Parking Fund	40.40
Sanitary Sewer Fund	2,926.60
Road/Building Bond Escrow	1,212.00
TOTAL	\$ 307,597.02

Wire Payments

10/26/18 PAYROLL POSTING	161,304.44
11/9/18 PAYROLL POSTING	134,089.20
US BANK DEBT SERVICE PAYMENTS	1,406,018.75
OCTOBER ILLINOIS MUNICIPAL RETIREMENT FUND	19,028.26
POLICE PENSION PAYMENTS	41,501.31
VEBA POLICE RETIREMENT HEALTH SAVINGS	19,261.06
	\$ 2,088,800.04

Report Criteria:

Detail report.
Invoices with totals above \$0.00 included.
Only unpaid invoices included.

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
ADVANTAGE MARKETING GRO	32936	TOWN HALL MEETING NOTICE	10/17/2018	01-320-5221	1,375.00	.00	
ADVANTAGE MARKETING GRO	33022	FALL NEWSLETTER	11/05/2018	01-320-5221	1,920.00	.00	
ADVANTAGE MARKETING GRO	33022-P	FALL NEWSLETTER	10/23/2018	01-320-5221	1,041.22	.00	
ADVANTAGE MARKETING GRO	33111	GARBAGE NOTICE	11/05/2018	17-300-5420	1,225.00	.00	
ADVANTAGE MARKETING GRO	33111-P	GARBAGE NOTICE	11/05/2018	17-300-5420	1,094.28	.00	
Total ADVANTAGE MARKETING GROUP LTD:					6,655.50	.00	
AFLAC	065797	AFLAC WITHHOLDING	10/31/2018	01-000-2031	201.02	.00	
Total AFLAC:					201.02	.00	
ARLINGTON HEIGHTS FORD IN	846904	CREDIT MEMO	10/17/2018	01-350-5020	31.93-	.00	
ARLINGTON HEIGHTS FORD IN	847933	VEHICLE MAINTENANCE	10/26/2018	01-350-5020	254.84	.00	
ARLINGTON HEIGHTS FORD IN	C63110	VEHICLE MAINTENANCE	10/31/2018	01-350-5020	69.98	.00	
Total ARLINGTON HEIGHTS FORD INC.:					292.89	.00	
ARLINGTON POWER EQUIPME	788505	LANDSCAPE EQUIPMENT	10/23/2018	01-350-5650	30.00	.00	
Total ARLINGTON POWER EQUIPMENT INC:					30.00	.00	
ASSOCIATED TECHNICAL SERV	30636	PW OPERATING SUPPLIES	10/16/2018	51-300-5710	1,065.00	.00	
Total ASSOCIATED TECHNICAL SERVICES LTD.:					1,065.00	.00	
BILL STASEK CHEVROLET	655908	EXHAUST	10/29/2018	01-350-5020	28.45	.00	
Total BILL STASEK CHEVROLET:					28.45	.00	
BOB BARKER COMPANY, INC	NC100144607	PD PRISNERS CARE	10/12/2018	01-360-5140	173.44	.00	
Total BOB BARKER COMPANY, INC:					173.44	.00	
BROOKS-ALLAN	43232	CLOTHING	10/23/2018	01-320-5700	187.34	.00	
Total BROOKS-ALLAN:					187.34	.00	
CARDMEMBER SERVICE	10/19/18	CREDIT CARD FEES	10/19/2018	01-320-5430	39.00	.00	
CARDMEMBER SERVICE	10/19/18	CREDIT CARD FEES	10/19/2018	01-320-5430	86.95	.00	
CARDMEMBER SERVICE	10/19/18	PW SUPPLY	10/19/2018	01-350-5710	17.99	.00	
CARDMEMBER SERVICE	10/19/18	TOLLS	10/19/2018	01-360-5321	10.00	.00	
CARDMEMBER SERVICE	10/19/18	TOLLS	10/19/2018	01-360-5321	40.00	.00	
CARDMEMBER SERVICE	10/19/18	TOLLS	10/19/2018	01-360-5321	10.00	.00	
CARDMEMBER SERVICE	10/19/18	IPASS SETUP	10/19/2018	01-350-5020	20.00	.00	
CARDMEMBER SERVICE	10/19/18	APWA DECALS	10/19/2018	51-300-5221	89.42	.00	
CARDMEMBER SERVICE	10/19/18	CITYBAND RADIO	10/19/2018	01-350-5020	40.83	.00	
CARDMEMBER SERVICE	10/19/18	VEHICLE CHARGER CORDS	10/19/2018	01-350-5020	8.88	.00	
CARDMEMBER SERVICE	10/19/18	PD KENNEL FEES	10/19/2018	01-360-5141	75.11	.00	
CARDMEMBER SERVICE	10/19/18	FIRE & COMMISSIONERS CONF	10/19/2018	01-360-5330	300.00	.00	
CARDMEMBER SERVICE	10/19/18	FIRE & COMMISSIONERS CONF	10/19/2018	01-360-5330	550.00	.00	
CARDMEMBER SERVICE	10/19/18	PD EQUIPMENT	10/19/2018	01-360-5610	30.00	.00	
CARDMEMBER SERVICE	10/19/18	PD KENNEL FEES	10/19/2018	01-360-5141	80.41	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
CARDMEMBER SERVICE	10/19/18	PD EQUIPMENT	10/19/2018	01-360-5610	133.50	.00	
CARDMEMBER SERVICE	10/19/18	PD TRAINING	10/19/2018	01-360-5330	325.00	.00	
CARDMEMBER SERVICE	10/19/18	A/V EQUIPMENT	10/19/2018	01-310-7020	159.99	.00	
CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	01-320-5410	281.16	.00	
CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	01-320-5410	149.85	.00	
CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	01-320-5410	239.85	.00	
CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	01-320-5410	4.20	.00	
CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	01-320-5410	254.85	.00	
CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	01-320-5410	157.90	.00	
CARDMEMBER SERVICE	10/19/18	COSTCO	10/19/2018	01-360-5700	39.99	.00	
CARDMEMBER SERVICE	10/19/18	COSTCO	10/19/2018	01-320-5700	49.96	.00	
CARDMEMBER SERVICE	10/19/18	B&D TRAINING	10/19/2018	01-340-5330	30.00	.00	
Total CARDMEMBER SERVICE:					3,224.84	.00	
CC Dept of Transportation & High	2018-3	TRAFFIC SIGNALS	09/30/2018	01-350-5031	1,086.00	.00	
Total CC Dept of Transportation & Highways:					1,086.00	.00	
CHICAGO PARTS AND SOUND,	1-0024113	VEHICLE MAINTENANCE	10/11/2018	01-350-5020	21.94	.00	
CHICAGO PARTS AND SOUND,	1-0028156	SQUAD CARS FOR STOCK	10/29/2018	01-350-5020	345.12	.00	
CHICAGO PARTS AND SOUND,	1-0028503	VEHICLE MAINTENANCE	10/30/2018	01-350-5020	125.92	.00	
Total CHICAGO PARTS AND SOUND, LLC:					492.98	.00	
CONSERV FS INC.	102010618	GASOLINE	10/19/2018	01-350-5751	2,322.48	.00	
Total CONSERV FS INC.:					2,322.48	.00	
CONSTELLATION NEWENERGY	13172730801	8285853	10/26/2018	01-350-5411	453.51	.00	
CONSTELLATION NEWENERGY	13172776701	8285851	10/26/2018	01-350-5411	222.09	.00	
CONSTELLATION NEWENERGY	13246595601	8285845	10/30/2018	51-300-5410	354.97	.00	
Total CONSTELLATION NEWENERGY INC.:					1,030.57	.00	
CORE & MAIN LP	J668302	WATER METERS	10/18/2018	51-300-5661	3,269.00	.00	
Total CORE & MAIN LP:					3,269.00	.00	
CURRIE MOTORS FLEET	H11673	FORD F-250	10/17/2018	30-550-7040	36,960.25	.00	
Total CURRIE MOTORS FLEET:					36,960.25	.00	
DAILY HERALD	T4511768	GRAPHICS	10/25/2018	01-320-5222	581.17	.00	
Total DAILY HERALD:					581.17	.00	
DEKIND COMPUTER CONSULT	25172	COMPUTER CONSULTANT	11/01/2018	01-320-5130	3,510.00	.00	
DEKIND COMPUTER CONSULT	25229	TRIP CHARGES	11/01/2018	01-320-5130	120.00	.00	
Total DEKIND COMPUTER CONSULTANTS:					3,630.00	.00	
DIDIER FARMS	FARM-103905	STRAW BALES	09/27/2018	01-350-5650	97.93	.00	
Total DIDIER FARMS:					97.93	.00	
DURON, JESUS	11/6/18	UNIFORM ALLOWANCE	11/06/2018	01-360-5741	283.04	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
Total DURON, JESUS:					283.04	.00	
FEDEX	6-347-31246	SHIPPING	10/24/2018	01-320-5200	30.36	.00	
Total FEDEX:					30.36	.00	
FLEXSOURCE, LLC	18659	RE ENROLLMENT	10/12/2018	01-320-5100	300.00	.00	
FLEXSOURCE, LLC	18744	ADMIN FEES	10/25/2018	01-320-5100	65.00	.00	
Total FLEXSOURCE, LLC:					365.00	.00	
FOOD & ALCOHOL SERVICE TR	2018-14	SANITATION INSPECTIONS	10/31/2018	01-340-5100	1,170.00	.00	
Total FOOD & ALCOHOL SERVICE TRAINING INC:					1,170.00	.00	
HMO ILLINOIS	11/7/18	HMO HEALTH INSURANCE	11/07/2018	01-360-4100	2,602.16	.00	
Total HMO ILLINOIS:					2,602.16	.00	
HOME DEPOT CREDIT SERVIC	1314041	LANDSCAPING	10/04/2018	01-350-5650	105.73	.00	
HOME DEPOT CREDIT SERVIC	1314067	LANDSCAPING	10/04/2018	01-350-5650	10.00	.00	
HOME DEPOT CREDIT SERVIC	1314098	LANDSCAPING	10/04/2018	01-350-5650	31.90	.00	
HOME DEPOT CREDIT SERVIC	310024	LANDSCAPING	10/15/2018	01-350-5650	30.00	.00	
HOME DEPOT CREDIT SERVIC	4314689	LANDSCAPING	10/11/2018	01-350-5650	11.25	.00	
HOME DEPOT CREDIT SERVIC	7080659	MAINTENANCE SUPPLIES	10/08/2018	01-350-5104	20.45	.00	
HOME DEPOT CREDIT SERVIC	83303	BUILDING MAINTENANCE	10/25/2018	01-350-5710	39.45	.00	
Total HOME DEPOT CREDIT SERVICES:					248.78	.00	
I/O SOLUTIONS, INC.	C43763A	OFFICER TESTING	11/07/2018	01-360-5100	744.00	.00	
Total I/O SOLUTIONS, INC.:					744.00	.00	
ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	01-320-5530	255.40	.00	
ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	01-340-5530	295.52	.00	
ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	01-350-5530	1,248.52	.00	
ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	01-360-5530	8,459.93	.00	
ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	51-300-5530	217.30	.00	
ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	53-300-5530	54.33	.00	
Total ILLINOIS PUBLIC RISK FUND:					10,531.00	.00	
ILLINOIS-AMERICAN WATER C	11/1/18	1025-220011635316	11/01/2018	13-300-5108	519.54	.00	
ILLINOIS-AMERICAN WATER C	11-1-18	1025-210002055667	11/01/2018	01-320-5410	41.38	.00	
Total ILLINOIS-AMERICAN WATER CO.:					560.92	.00	
IUOE LOCAL 150 ADMIN	#150 A 11/09/1	LOCAL 150 ADMIN DUES	11/09/2018	01-000-2050	312.29	.00	
Total IUOE LOCAL 150 ADMIN:					312.29	.00	
IUOE LOCAL 150 MEMBERSHIP	#150 M 11/09/1	LOCAL 150 MEMBERSHIP DUES	11/09/2018	01-000-2050	58.85	.00	
Total IUOE LOCAL 150 MEMBERSHIP:					58.85	.00	
JEFFREY L BAUREIS	35	ELECTRICAL INSPECTIONS	10/26/2018	01-340-5100	1,419.00	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
Total JEFFREY L BAUREIS:					1,419.00	.00	
JG UNIFORMS INC	44738	PD UNIFORM	10/30/2018	01-360-5741	89.96	.00	
JG UNIFORMS INC	44885	PD UNIFORM	11/02/2018	01-360-5741	241.50	.00	
Total JG UNIFORMS INC:					331.46	.00	
JOURNAL & TOPICS NEWSPAP	10/29/18	PD 1 YEAR SUBSCRIPTION	10/29/2018	01-360-5820	33.00	.00	
JOURNAL & TOPICS NEWSPAP	178237	LEGAL NOTICE	10/10/2018	01-340-5222	112.28	.00	
JOURNAL & TOPICS NEWSPAP	178238	LEGAL NOTICE	10/10/2018	01-340-5222	144.36	.00	
Total JOURNAL & TOPICS NEWSPAPERS INC.:					289.64	.00	
LANDSCAPE CONCEPTS MANA	153034	LANDSCAPE MAINTENANCE	11/01/2018	13-300-5108	508.92	.00	
Total LANDSCAPE CONCEPTS MANAGEMENT:					508.92	.00	
LAUTERBACH & AMEN, LLP	31456	ACCOUNTING SERVICE	10/15/2018	01-322-5101	13,800.00	.00	
LAUTERBACH & AMEN, LLP	31456	ACCOUNTING SERVICE	10/15/2018	51-300-5101	2,475.00	.00	
LAUTERBACH & AMEN, LLP	31456	ACCOUNTING SERVICE	10/15/2018	53-300-5101	2,475.00	.00	
Total LAUTERBACH & AMEN, LLP:					18,750.00	.00	
LEAGUE OF WOMEN VOTERS	11/5/18	INITIATIVE SUPPORT	11/05/2018	01-310-5950	500.00	.00	
Total LEAGUE OF WOMEN VOTERS:					500.00	.00	
LINE-X OF NORTHERN IL	1503	VEHICLE MAINTENANCE	10/30/2018	01-350-5020	740.00	.00	
Total LINE-X OF NORTHERN IL:					740.00	.00	
LOGSDON OFFICE SUPPLY	1039778-001	OFFICE SUPPLIES	10/17/2018	01-320-5700	69.90	.00	
Total LOGSDON OFFICE SUPPLY:					69.90	.00	
MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	01-320-4110	22.69	.00	
MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	01-340-4110	32.85	.00	
MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	01-350-4110	41.25	.00	
MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	01-360-4110	221.08	.00	
MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	51-300-4110	10.31	.00	
MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	01-000-2030	152.02	.00	
Total MADISON NATIONAL LIFE:					480.20	.00	
MENARDS	25531	VEHICLE MAINTENANCE	10/26/2018	01-350-5020	119.00	.00	
MENARDS	25531	MAINTENANCE SUPPLIES	10/26/2018	01-350-5710	57.87	.00	
Total MENARDS:					176.87	.00	
METROPOLITAN ALLIANCE OF	#252 11/2018	MAP #252 DUES	11/09/2018	01-000-2052	504.00	.00	
METROPOLITAN ALLIANCE OF	#253 11/2018	MAP #253 DUES	11/09/2018	01-000-2052	180.00	.00	
Total METROPOLITAN ALLIANCE OF POLICE:					684.00	.00	
MOE FUNDS	11/5/18	NOV PREMIUMS	11/05/2018	01-350-4100	8,060.00	.00	
MOE FUNDS	11/5/18	NOV PREMIUMS	11/05/2018	51-300-4100	2,015.00	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
Total MOE FUNDS:					10,075.00	.00	
MPC COMMUNICATIONS & LIG	18-1323	SQUAD CAR MAINTENANCE	10/05/2018	01-360-7022	144.15	.00	
Total MPC COMMUNICATIONS & LIGHTING INC:					144.15	.00	
NAPA-HEIGHTS AUTOMOTIVE	3563-132317	VEH MTC SUPPLIES	10/01/2018	01-350-5020	55.48	.00	
NAPA-HEIGHTS AUTOMOTIVE	3563-136869	VEH MTC SUPPLIES	10/16/2018	01-350-5020	256.22	.00	
NAPA-HEIGHTS AUTOMOTIVE	3563-137674	CREDIT MEMO	10/18/2018	01-350-5020	103.14-	.00	
NAPA-HEIGHTS AUTOMOTIVE	3563-139937	VEH MTC SUPPLIES	10/25/2018	01-350-5020	38.65	.00	
NAPA-HEIGHTS AUTOMOTIVE	3563-140745	VEH MTC SUPPLIES	10/29/2018	01-350-5020	14.35-	.00	
NAPA-HEIGHTS AUTOMOTIVE	3563-141318	VEH MTC SUPPLIES	10/31/2018	01-350-5020	13.62	.00	
Total NAPA-HEIGHTS AUTOMOTIVE:					246.48	.00	
NICOR GAS	10/22/18	20-93-79-2787 7	10/22/2018	01-320-5410	168.95	.00	
NICOR GAS	10/23/18	PW 94-82-27-0000 4	10/23/2018	01-320-5410	130.34	.00	
NICOR GAS	10/24/18	METRA 20-24-74-0000 3	10/24/2018	52-300-5410	40.40	.00	
NICOR GAS	10-23-18	PD SRVC 98-65-54-0000 4	10/23/2018	01-320-5410	98.45	.00	
NICOR GAS	10-24-18	WTR 70-06-34-0000 9	10/24/2018	51-300-5410	111.34	.00	
Total NICOR GAS:					549.48	.00	
NORTH EAST MULTI-REGIONAL	244240	ANNUAL MEMBERSHIP	10/25/2018	01-360-5310	1,900.00	.00	
Total NORTH EAST MULTI-REGIONAL TRAINING INC.:					1,900.00	.00	
NORTH SHORE ENERGY	13497	FURNACE REPAIR	10/18/2018	01-350-5104	2,000.00	.00	
Total NORTH SHORE ENERGY:					2,000.00	.00	
NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	01-320-4100	1,358.00	.00	
NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	01-340-4100	4,417.00	.00	
NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	01-350-4100	2,030.00	.00	
NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	01-360-4100	28,013.00	.00	
NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	01-370-4101	4,404.00	.00	
Total NORTH SUBURBAN EMPLOYEE BENEFIT COOPERAT:					40,222.00	.00	
NW CENTRAL DISPATCH SYST	8686	MEMBER ASSESSMENT - DEC 2	11/01/2018	01-360-5240	21,554.59	.00	
Total NW CENTRAL DISPATCH SYSTEM:					21,554.59	.00	
OFFICE DEPOT INC.	10270097	PD OFFICE SUPPLIES	10/31/2018	01-360-5700	139.84	.00	
Total OFFICE DEPOT INC.:					139.84	.00	
OMNI YOUTH SERVICES INC.	10/31/18	VOCA GRANT EXPENSE - OCT	10/31/2018	01-360-5101	6,673.67	.00	
Total OMNI YOUTH SERVICES INC.:					6,673.67	.00	
PENTEGRA SYSTEMS LLC	57655	MONITORING AGREEMENT RE	10/29/2018	01-360-5610	420.00	.00	
Total PENTEGRA SYSTEMS LLC:					420.00	.00	
PRO DATA PAYROLL SERVICES	405561	PAYROLL PROCESSING	10/22/2018	01-322-5540	275.40	.00	
PRO DATA PAYROLL SERVICES	406154	PAYROLL PROCESSING	11/05/2018	01-322-5540	181.15	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
Total PRO DATA PAYROLL SERVICES INC.:					456.55	.00	
RAY ALLEN MANUFACTURING,	RCM002496	CREDIT MEMO	10/31/2018	01-360-7022	34.99-	.00	
RAY ALLEN MANUFACTURING,	RINV078400	PD TECH SUPPLIES	10/23/2018	01-360-7022	249.99	.00	
Total RAY ALLEN MANUFACTURING, LLC:					215.00	.00	
RAY O'HERRON CO INC	1854253-IN	PD UNIFORMS	10/16/2018	01-360-5741	129.79	.00	
RAY O'HERRON CO INC	1855989-IN	PD UNIFORMS	10/24/2018	01-360-5741	159.99	.00	
RAY O'HERRON CO INC	1855991-IN	PD UNIFORMS	10/24/2018	01-360-5741	159.99	.00	
Total RAY O'HERRON CO INC:					449.77	.00	
REDSPEED ILLINOIS	10/24/18	TICKET # 1702600506647777	10/24/2018	01-140-3500	100.00	.00	
Total REDSPEED ILLINOIS:					100.00	.00	
ROSALBA CARDI	18-196	ROAD BOND REFUND	10/30/2018	72-000-2310	1,212.00	.00	
Total ROSALBA CARDI:					1,212.00	.00	
RUSH TRUCK CENTER	3012606071	VEHICLE MAINTENANCE	10/31/2018	01-350-5020	150.00	.00	
Total RUSH TRUCK CENTER:					150.00	.00	
SHERWIN INDUSTRIES INC	SS077273	SIGNAGE	10/12/2018	01-350-5721	477.65	.00	
Total SHERWIN INDUSTRIES INC:					477.65	.00	
SIRCHIE FINGERPRINT LABOR	0366653-IN	EVIDENCE EQUIPMENT	09/28/2018	01-360-7022	78.62	.00	
Total SIRCHIE FINGERPRINT LABORATORIES LLC:					78.62	.00	
SOLID WASTE AGENCY	6041	O&M COSTS	11/01/2018	17-300-5420	27,090.86	.00	
Total SOLID WASTE AGENCY:					27,090.86	.00	
STANDARD EQUIPMENT CO	P10425	SEWER CAMERA REPAIR	11/01/2018	53-300-5050	397.27	.00	
Total STANDARD EQUIPMENT CO:					397.27	.00	
STREICHER'S	I1337157	PD RANGE SUPPLIES	10/29/2018	01-360-5740	49.50	.00	
STREICHER'S	I1337199	PD RANGE SUPPLIES	10/29/2018	01-360-5740	1,550.00	.00	
Total STREICHER'S:					1,599.50	.00	
SUBURBAN ACCENTS INC.	27251	SHIELDS	10/10/2018	01-360-7022	149.20	.00	
SUBURBAN ACCENTS INC.	27307	GRAPHICS & LETTERING	10/24/2018	01-350-5721	37.50	.00	
Total SUBURBAN ACCENTS INC.:					186.70	.00	
TONYS FINER FOODS ENTERP	10/22/18	SALES TAX REBATE	10/22/2018	01-380-5975	41,798.96	.00	
Total TONY'S FINER FOODS ENTERPRISES INC:					41,798.96	.00	
TRESSLER LLP	397624	LEGAL SERVICES	11/08/2018	01-324-5120	39,240.73	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
Total TRESSLER LLP:					39,240.73	.00	
TRUGREEN PROCESSING CEN	94064261	LANDSCAPING	10/23/2018	01-350-5103	92.25	.00	
TRUGREEN PROCESSING CEN	94268260	LANDSCAPING	10/25/2018	01-350-5103	147.00	.00	
TRUGREEN PROCESSING CEN	9436436	LANDSCAPING	10/25/2018	01-350-5103	65.00	.00	
Total TRUGREEN PROCESSING CENTER:					304.25	.00	
UNIFIRST CORPORATION	081 1328942	PW UNIFORMS	10/19/2018	01-350-5104	98.70	.00	
UNIFIRST CORPORATION	081 1330730	PW UNIFORMS	10/26/2018	01-350-5104	98.70	.00	
UNIFIRST CORPORATION	081 1332507	PW UNIFORMS	11/02/2018	01-350-5104	99.70	.00	
Total UNIFIRST CORPORATION:					297.10	.00	
US SIGNCRAFTERS	1180503	SIGN REPLACEMENT	11/07/2018	01-155-3730	1,944.50	.00	
Total US SIGNCRAFTERS:					1,944.50	.00	
VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	01-320-5410	131.62	.00	
VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	01-360-5410	455.80	.00	
VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	51-300-5410	56.04	.00	
VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	51-300-5410	280.20	.00	
VERIZON WIRELESS	9816283597	PD CELL PHONES	10/10/2018	01-360-5610	570.35	.00	
VERIZON WIRELESS	9817079495	MONTHLY SERVICE	10/23/2018	51-300-5410	40.01	.00	
Total VERIZON WIRELESS:					1,534.02	.00	
VERMEER-ILLINOIS INC	S48531	FACTORY SERVICE ON ROOT	10/15/2018	01-350-5103	658.52	.00	
Total VERMEER-ILLINOIS INC:					658.52	.00	
WAREHOUSE DIRECT OFFICE	4074889-0	OFFICE SUPPLIES	10/23/2018	01-320-5700	86.66	.00	
WAREHOUSE DIRECT OFFICE	4082555-0	OFFICE SUPPLIES	10/29/2018	01-320-5700	212.98	.00	
Total WAREHOUSE DIRECT OFFICE PROD INC.:					299.64	.00	
XTIVITY SOLUTIONS INC.	1372	PHONE AND INTERNET SERVIC	10/01/2018	01-320-5410	1,226.00	.00	
XTIVITY SOLUTIONS INC.	1373	SERVICE AND SECURITY SUPP	10/01/2018	01-320-5410	750.00	.00	
XTIVITY SOLUTIONS INC.	1380	PHONE BILL	10/17/2018	01-320-5410	1,018.92	.00	
Total XTIVITY SOLUTIONS INC.:					2,994.92	.00	
Grand Totals:					307,597.02	.00	

Vendor Name	Invoice Number	Description	Invoice Date	GL Account Number	Net Invoice Amt	Amount Paid	Date Paid
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Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Detail report.

Invoices with totals above \$0.00 included.

Only unpaid invoices included.

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
GENERAL FUND							
01-000-2030 WITHHOLDING INSURAN	MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	152.02	.00	
01-000-2031 WITHHOLDING - Q AFLA	AFLAC	065797	AFLAC WITHHOLDING	10/31/2018	201.02	.00	
01-000-2050 W/H LOCAL 150 UNION	IUOE LOCAL 150 ADMIN	#150 A 11/09/1	LOCAL 150 ADMIN DUES	11/09/2018	312.29	.00	
01-000-2050 W/H LOCAL 150 UNION	IUOE LOCAL 150 MEMBERSHIP	#150 M 11/09/1	LOCAL 150 MEMBERSHIP DUES	11/09/2018	58.85	.00	
01-000-2052 WITHHOLDING POLICE U	METROPOLITAN ALLIANCE OF	#252 11/2018	MAP #252 DUES	11/09/2018	504.00	.00	
01-000-2052 WITHHOLDING POLICE U	METROPOLITAN ALLIANCE OF	#253 11/2018	MAP #253 DUES	11/09/2018	180.00	.00	
Total :					1,408.18	.00	
PUBLIC SAFETY FINES & FEES							
01-140-3500 TRAFFIC FINES	REDSPEED ILLINOIS	10/24/18	TICKET # 1702600506647777	10/24/2018	100.00	.00	
Total PUBLIC SAFETY FINES & FEES:					100.00	.00	
REIMBURSABLE INCOME							
01-155-3730 INSURANCE REIMBURS	US SIGNCRAFTERS	1180503	SIGN REPLACEMENT	11/07/2018	1,944.50	.00	
Total REIMBURSABLE INCOME:					1,944.50	.00	
CITY COUNCIL & BOARDS							
01-310-5950 SPECIAL EVENTS	LEAGUE OF WOMEN VOTERS	11/5/18	INITIATIVE SUPPORT	11/05/2018	500.00	.00	
01-310-7020 EQUIPMENT	CARDMEMBER SERVICE	10/19/18	A/V EQUIPMENT	10/19/2018	159.99	.00	
Total CITY COUNCIL & BOARDS:					659.99	.00	
ADMINISTRATION							
01-320-4100 HEALTH INSURANCE	NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	1,358.00	.00	
01-320-4110 LIFE INSURANCE	MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	22.69	.00	
01-320-5100 PROFESSIONAL SERVIC	FLEXSOURCE, LLC	18659	RE ENROLLMENT	10/12/2018	300.00	.00	
01-320-5100 PROFESSIONAL SERVIC	FLEXSOURCE, LLC	18744	ADMIN FEES	10/25/2018	65.00	.00	
01-320-5130 COMPUTER CONSULTAN	DEKIND COMPUTER CONSULT	25172	COMPUTER CONSULTANT	11/01/2018	3,510.00	.00	
01-320-5130 COMPUTER CONSULTAN	DEKIND COMPUTER CONSULT	25229	TRIP CHARGES	11/01/2018	120.00	.00	
01-320-5200 POSTAGE	FEDEX	6-347-31246	SHIPPING	10/24/2018	30.36	.00	
01-320-5221 PRINTING	ADVANTAGE MARKETING GRO	32936	TOWN HALL MEETING NOTICE	10/17/2018	1,375.00	.00	
01-320-5221 PRINTING	ADVANTAGE MARKETING GRO	33022	FALL NEWSLETTER	11/05/2018	1,920.00	.00	
01-320-5221 PRINTING	ADVANTAGE MARKETING GRO	33022-P	FALL NEWSLETTER	10/23/2018	1,041.22	.00	
01-320-5222 LEGAL NOTICES	DAILY HERALD	T4511768	GRAPHICS	10/25/2018	581.17	.00	
01-320-5410 UTILITIES	CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	281.16	.00	
01-320-5410 UTILITIES	CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	149.85	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-320-5410 UTILITIES	CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	239.85	.00	
01-320-5410 UTILITIES	CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	4.20	.00	
01-320-5410 UTILITIES	CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	254.85	.00	
01-320-5410 UTILITIES	CARDMEMBER SERVICE	10/19/18	COMCAST	10/19/2018	157.90	.00	
01-320-5410 UTILITIES	ILLINOIS-AMERICAN WATER C	11-1-18	1025-210002055667	11/01/2018	41.38	.00	
01-320-5410 UTILITIES	NICOR GAS	10/22/18	20-93-79-2787 7	10/22/2018	168.95	.00	
01-320-5410 UTILITIES	NICOR GAS	10/23/18	PW 94-82-27-0000 4	10/23/2018	130.34	.00	
01-320-5410 UTILITIES	NICOR GAS	10-23-18	PD SRVC 98-65-54-0000 4	10/23/2018	98.45	.00	
01-320-5410 UTILITIES	VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	131.62	.00	
01-320-5410 UTILITIES	XTIVITY SOLUTIONS INC.	1372	PHONE AND INTERNET SERVIC	10/01/2018	1,226.00	.00	
01-320-5410 UTILITIES	XTIVITY SOLUTIONS INC.	1373	SERVICE AND SECURITY SUPP	10/01/2018	750.00	.00	
01-320-5410 UTILITIES	XTIVITY SOLUTIONS INC.	1380	PHONE BILL	10/17/2018	1,018.92	.00	
01-320-5430 CREDIT CARD & BANK C	CARDMEMBER SERVICE	10/19/18	CREDIT CARD FEES	10/19/2018	39.00	.00	
01-320-5430 CREDIT CARD & BANK C	CARDMEMBER SERVICE	10/19/18	CREDIT CARD FEES	10/19/2018	86.95	.00	
01-320-5530 WORKERS COMPENSATI	ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	255.40	.00	
01-320-5700 OFFICE SUPPLIES	BROOKS-ALLAN	43232	CLOTHING	10/23/2018	187.34	.00	
01-320-5700 OFFICE SUPPLIES	CARDMEMBER SERVICE	10/19/18	COSTCO	10/19/2018	49.96	.00	
01-320-5700 OFFICE SUPPLIES	LOGSDON OFFICE SUPPLY	1039778-001	OFFICE SUPPLIES	10/17/2018	69.90	.00	
01-320-5700 OFFICE SUPPLIES	WAREHOUSE DIRECT OFFICE	4074889-0	OFFICE SUPPLIES	10/23/2018	86.66	.00	
01-320-5700 OFFICE SUPPLIES	WAREHOUSE DIRECT OFFICE	4082555-0	OFFICE SUPPLIES	10/29/2018	212.98	.00	
Total ADMINISTRATION:					15,965.10	.00	
FINANCE							
01-322-5101 AUDIT & FINANCE FEES	LAUTERBACH & AMEN, LLP	31456	ACCOUNTING SERVICE	10/15/2018	13,800.00	.00	
01-322-5540 PAYROLL SERVICE FEES	PRO DATA PAYROLL SERVICES	405561	PAYROLL PROCESSING	10/22/2018	275.40	.00	
01-322-5540 PAYROLL SERVICE FEES	PRO DATA PAYROLL SERVICES	406154	PAYROLL PROCESSING	11/05/2018	181.15	.00	
Total FINANCE:					14,256.55	.00	
LEGAL							
01-324-5120 CITY ATTORNEY	TRESSLER LLP	397624	LEGAL SERVICES	11/08/2018	39,240.73	.00	
Total LEGAL:					39,240.73	.00	
BUILDING DEPARTMENT							
01-340-4100 HEALTH INSURANCE	NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	4,417.00	.00	
01-340-4110 LIFE INSURANCE	MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	32.85	.00	
01-340-5100 PROFESSIONAL SERVIC	FOOD & ALCOHOL SERVICE TR	2018-14	SANITATION INSPECTIONS	10/31/2018	1,170.00	.00	
01-340-5100 PROFESSIONAL SERVIC	JEFFREY L BAUREIS	35	ELECTRICAL INSPECTIONS	10/26/2018	1,419.00	.00	
01-340-5222 LEGAL NOTICES	JOURNAL & TOPICS NEWSPAP	178237	LEGAL NOTICE	10/10/2018	112.28	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-340-5222 LEGAL NOTICES	JOURNAL & TOPICS NEWSPAP	178238	LEGAL NOTICE	10/10/2018	144.36	.00	
01-340-5330 TRAINING	CARDMEMBER SERVICE	10/19/18	B&D TRAINING	10/19/2018	30.00	.00	
01-340-5530 WORKERS COMPENSATI	ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	295.52	.00	
Total BUILDING DEPARTMENT:					7,621.01	.00	
PUBLIC WORKS							
01-350-4100 HEALTH INSURANCE	MOE FUNDS	11/5/18	NOV PREMIUMS	11/05/2018	8,060.00	.00	
01-350-4100 HEALTH INSURANCE	NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	2,030.00	.00	
01-350-4110 LIFE INSURANCE	MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	41.25	.00	
01-350-5020 VEHICLE MAINTENANCE	ARLINGTON HEIGHTS FORD IN	846904	CREDIT MEMO	10/17/2018	31.93-	.00	
01-350-5020 VEHICLE MAINTENANCE	ARLINGTON HEIGHTS FORD IN	847933	VEHICLE MAINTENANCE	10/26/2018	254.84	.00	
01-350-5020 VEHICLE MAINTENANCE	ARLINGTON HEIGHTS FORD IN	C63110	VEHICLE MAINTENANCE	10/31/2018	69.98	.00	
01-350-5020 VEHICLE MAINTENANCE	BILL STASEK CHEVROLET	655908	EXHAUST	10/29/2018	28.45	.00	
01-350-5020 VEHICLE MAINTENANCE	CARDMEMBER SERVICE	10/19/18	IPASS SETUP	10/19/2018	20.00	.00	
01-350-5020 VEHICLE MAINTENANCE	CARDMEMBER SERVICE	10/19/18	CITYBAND RADIO	10/19/2018	40.83	.00	
01-350-5020 VEHICLE MAINTENANCE	CARDMEMBER SERVICE	10/19/18	VEHICLE CHARGER CORDS	10/19/2018	8.88	.00	
01-350-5020 VEHICLE MAINTENANCE	CHICAGO PARTS AND SOUND,	1-0024113	VEHICLE MAINTENANCE	10/11/2018	21.94	.00	
01-350-5020 VEHICLE MAINTENANCE	CHICAGO PARTS AND SOUND,	1-0028156	SQUAD CARS FOR STOCK	10/29/2018	345.12	.00	
01-350-5020 VEHICLE MAINTENANCE	CHICAGO PARTS AND SOUND,	1-0028503	VEHICLE MAINTENANCE	10/30/2018	125.92	.00	
01-350-5020 VEHICLE MAINTENANCE	LINE-X OF NORTHERN IL	1503	VEHICLE MAINTENANCE	10/30/2018	740.00	.00	
01-350-5020 VEHICLE MAINTENANCE	MENARDS	25531	VEHICLE MAINTENANCE	10/26/2018	119.00	.00	
01-350-5020 VEHICLE MAINTENANCE	NAPA-HEIGHTS AUTOMOTIVE	3563-132317	VEH MTC SUPPLIES	10/01/2018	55.48	.00	
01-350-5020 VEHICLE MAINTENANCE	NAPA-HEIGHTS AUTOMOTIVE	3563-136869	VEH MTC SUPPLIES	10/16/2018	256.22	.00	
01-350-5020 VEHICLE MAINTENANCE	NAPA-HEIGHTS AUTOMOTIVE	3563-137674	CREDIT MEMO	10/18/2018	103.14-	.00	
01-350-5020 VEHICLE MAINTENANCE	NAPA-HEIGHTS AUTOMOTIVE	3563-139937	VEH MTC SUPPLIES	10/25/2018	38.65	.00	
01-350-5020 VEHICLE MAINTENANCE	NAPA-HEIGHTS AUTOMOTIVE	3563-140745	VEH MTC SUPPLIES	10/29/2018	14.35-	.00	
01-350-5020 VEHICLE MAINTENANCE	NAPA-HEIGHTS AUTOMOTIVE	3563-141318	VEH MTC SUPPLIES	10/31/2018	13.62	.00	
01-350-5020 VEHICLE MAINTENANCE	RUSH TRUCK CENTER	3012606071	VEHICLE MAINTENANCE	10/31/2018	150.00	.00	
01-350-5031 SIGNAL MAINTENANCE	CC Dept of Transportation & High	2018-3	TRAFFIC SIGNALS	09/30/2018	1,086.00	.00	
01-350-5103 PROF SERVICES - FORE	TRUGREEN PROCESSING CEN	94064261	LANDSCAPING	10/23/2018	92.25	.00	
01-350-5103 PROF SERVICES - FORE	TRUGREEN PROCESSING CEN	94268260	LANDSCAPING	10/25/2018	147.00	.00	
01-350-5103 PROF SERVICES - FORE	TRUGREEN PROCESSING CEN	9436436	LANDSCAPING	10/25/2018	65.00	.00	
01-350-5103 PROF SERVICES - FORE	VERMEER-ILLINOIS INC	S48531	FACTORY SERVICE ON ROOT	10/15/2018	658.52	.00	
01-350-5104 PROF SERVICES - BUILD	HOME DEPOT CREDIT SERVIC	7080659	MAINTENANCE SUPPLIES	10/08/2018	20.45	.00	
01-350-5104 PROF SERVICES - BUILD	NORTH SHORE ENERGY	13497	FURNACE REPAIR	10/18/2018	2,000.00	.00	
01-350-5104 PROF SERVICES - BUILD	UNIFIRST CORPORATION	081 1328942	PW UNIFORMS	10/19/2018	98.70	.00	
01-350-5104 PROF SERVICES - BUILD	UNIFIRST CORPORATION	081 1330730	PW UNIFORMS	10/26/2018	98.70	.00	
01-350-5104 PROF SERVICES - BUILD	UNIFIRST CORPORATION	081 1332507	PW UNIFORMS	11/02/2018	99.70	.00	
01-350-5411 WATER AND ELECTRIC P	CONSTELLATION NEWENERGY	13172730801	8285853	10/26/2018	453.51	.00	
01-350-5411 WATER AND ELECTRIC P	CONSTELLATION NEWENERGY	13172776701	8285851	10/26/2018	222.09	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-350-5530 WORKERS COMPENSATI	ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	1,248.52	.00	
01-350-5650 LANDSCAPE SUPPLIES	ARLINGTON POWER EQUIPME	788505	LANDSCAPE EQUIPMENT	10/23/2018	30.00	.00	
01-350-5650 LANDSCAPE SUPPLIES	DIDIER FARMS	FARM-103905	STRAW BALES	09/27/2018	97.93	.00	
01-350-5650 LANDSCAPE SUPPLIES	HOME DEPOT CREDIT SERVIC	1314041	LANDSCAPING	10/04/2018	105.73	.00	
01-350-5650 LANDSCAPE SUPPLIES	HOME DEPOT CREDIT SERVIC	1314067	LANDSCAPING	10/04/2018	10.00	.00	
01-350-5650 LANDSCAPE SUPPLIES	HOME DEPOT CREDIT SERVIC	1314098	LANDSCAPING	10/04/2018	31.90	.00	
01-350-5650 LANDSCAPE SUPPLIES	HOME DEPOT CREDIT SERVIC	310024	LANDSCAPING	10/15/2018	30.00	.00	
01-350-5650 LANDSCAPE SUPPLIES	HOME DEPOT CREDIT SERVIC	4314689	LANDSCAPING	10/11/2018	11.25	.00	
01-350-5710 OPERATING SUPPLIES	CARDMEMBER SERVICE	10/19/18	PW SUPPLY	10/19/2018	17.99	.00	
01-350-5710 OPERATING SUPPLIES	HOME DEPOT CREDIT SERVIC	83303	BUILDING MAINTENANCE	10/25/2018	39.45	.00	
01-350-5710 OPERATING SUPPLIES	MENARDS	25531	MAINTENANCE SUPPLIES	10/26/2018	57.87	.00	
01-350-5721 SIGNS	SHERWIN INDUSTRIES INC	SS077273	SIGNAGE	10/12/2018	477.65	.00	
01-350-5721 SIGNS	SUBURBAN ACCENTS INC.	27307	GRAPHICS & LETTERING	10/24/2018	37.50	.00	
01-350-5751 GASOLINE	CONSERV FS INC.	102010618	GASOLINE	10/19/2018	2,322.48	.00	
Total PUBLIC WORKS:					21,830.95	.00	
PUBLIC SAFETY							
01-360-4100 HEALTH INSURANCE	HMO ILLINOIS	11/7/18	HMO HEALTH INSURANCE	11/07/2018	2,602.16	.00	
01-360-4100 HEALTH INSURANCE	NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	28,013.00	.00	
01-360-4110 LIFE INSURANCE	MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	221.08	.00	
01-360-5100 PROFESSIONAL SERVIC	I/O SOLUTIONS, INC.	C43763A	OFFICER TESTING	11/07/2018	744.00	.00	
01-360-5101 PROFESSIONAL FEES -	OMNI YOUTH SERVICES INC.	10/31/18	VOCA GRANT EXPENSE - OCT	10/31/2018	6,673.67	.00	
01-360-5140 PRISONERS CARE	BOB BARKER COMPANY, INC	NC100144607	PD PRISNERS CARE	10/12/2018	173.44	.00	
01-360-5141 KENNEL FEES	CARDMEMBER SERVICE	10/19/18	PD KENNEL FEES	10/19/2018	75.11	.00	
01-360-5141 KENNEL FEES	CARDMEMBER SERVICE	10/19/18	PD KENNEL FEES	10/19/2018	80.41	.00	
01-360-5240 NORTHWEST CENTRAL	NW CENTRAL DISPATCH SYST	8686	MEMBER ASSESSMENT - DEC 2	11/01/2018	21,554.59	.00	
01-360-5310 MEMBERSHIPS	NORTH EAST MULTI-REGIONAL	244240	ANNUAL MEMBERSHIP	10/25/2018	1,900.00	.00	
01-360-5321 AUTO EXPENSE	CARDMEMBER SERVICE	10/19/18	TOLLS	10/19/2018	10.00	.00	
01-360-5321 AUTO EXPENSE	CARDMEMBER SERVICE	10/19/18	TOLLS	10/19/2018	40.00	.00	
01-360-5321 AUTO EXPENSE	CARDMEMBER SERVICE	10/19/18	TOLLS	10/19/2018	10.00	.00	
01-360-5330 TRAINING	CARDMEMBER SERVICE	10/19/18	FIRE & COMMISSIONERS CONF	10/19/2018	300.00	.00	
01-360-5330 TRAINING	CARDMEMBER SERVICE	10/19/18	FIRE & COMMISSIONERS CONF	10/19/2018	550.00	.00	
01-360-5330 TRAINING	CARDMEMBER SERVICE	10/19/18	PD TRAINING	10/19/2018	325.00	.00	
01-360-5410 UTILITIES	VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	455.80	.00	
01-360-5530 WORKERS COMPENSATI	ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	8,459.93	.00	
01-360-5610 EQUIPMENT MAINTENAN	CARDMEMBER SERVICE	10/19/18	PD EQUIPMENT	10/19/2018	30.00	.00	
01-360-5610 EQUIPMENT MAINTENAN	CARDMEMBER SERVICE	10/19/18	PD EQUIPMENT	10/19/2018	133.50	.00	
01-360-5610 EQUIPMENT MAINTENAN	PENTEGRA SYSTEMS LLC	57655	MONITORING AGREEMENT RE	10/29/2018	420.00	.00	
01-360-5610 EQUIPMENT MAINTENAN	VERIZON WIRELESS	9816283597	PD CELL PHONES	10/10/2018	570.35	.00	
01-360-5700 OFFICE SUPPLIES	CARDMEMBER SERVICE	10/19/18	COSTCO	10/19/2018	39.99	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
01-360-5700 OFFICE SUPPLIES	OFFICE DEPOT INC.	10270097	PD OFFICE SUPPLIES	10/31/2018	139.84	.00	
01-360-5740 RANGE SUPPLIES	STREICHER'S	I1337157	PD RANGE SUPPLIES	10/29/2018	49.50	.00	
01-360-5740 RANGE SUPPLIES	STREICHER'S	I1337199	PD RANGE SUPPLIES	10/29/2018	1,550.00	.00	
01-360-5741 CLOTHING	DURON, JESUS	11/6/18	UNIFORM ALLOWANCE	11/06/2018	283.04	.00	
01-360-5741 CLOTHING	JG UNIFORMS INC	44738	PD UNIFORM	10/30/2018	89.96	.00	
01-360-5741 CLOTHING	JG UNIFORMS INC	44885	PD UNIFORM	11/02/2018	241.50	.00	
01-360-5741 CLOTHING	RAY O'HERRON CO INC	1854253-IN	PD UNIFORMS	10/16/2018	129.79	.00	
01-360-5741 CLOTHING	RAY O'HERRON CO INC	1855989-IN	PD UNIFORMS	10/24/2018	159.99	.00	
01-360-5741 CLOTHING	RAY O'HERRON CO INC	1855991-IN	PD UNIFORMS	10/24/2018	159.99	.00	
01-360-5820 PUBLICATIONS	JOURNAL & TOPICS NEWSPAP	10/29/18	PD 1 YEAR SUBSCRIPTION	10/29/2018	33.00	.00	
01-360-7022 POLICE TECH/SAFETY S	MPC COMMUNICATIONS & LIG	18-1323	SQUAD CAR MAINTENANCE	10/05/2018	144.15	.00	
01-360-7022 POLICE TECH/SAFETY S	RAY ALLEN MANUFACTURING,	RCM002496	CREDIT MEMO	10/31/2018	34.99-	.00	
01-360-7022 POLICE TECH/SAFETY S	RAY ALLEN MANUFACTURING,	RINV078400	PD TECH SUPPLIES	10/23/2018	249.99	.00	
01-360-7022 POLICE TECH/SAFETY S	SIRCHIE FINGERPRINT LABOR	0366653-IN	EVIDENCE EQUIPMENT	09/28/2018	78.62	.00	
01-360-7022 POLICE TECH/SAFETY S	SUBURBAN ACCENTS INC.	27251	SHIELDS	10/10/2018	149.20	.00	
Total PUBLIC SAFETY:					76,805.61	.00	
REIMBURSABLE EXP							
01-370-4101 RETIREE HEALTH INSUR	NORTH SUBURBAN EMPLOYEE	11/6/18	OCTOBER MEDICAL INSURANC	11/06/2018	4,404.00	.00	
Total REIMBURSABLE EXP:					4,404.00	.00	
OTHER EXPENSES							
01-380-5975 SALES TAX REBATE	TONYS FINER FOODS ENTERP	10/22/18	SALES TAX REBATE	10/22/2018	41,798.96	.00	
Total OTHER EXPENSES:					41,798.96	.00	
Total GENERAL FUND:					226,035.58	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
TOURISM DISTRICT EXPENSES							
13-300-5108 BEAUTIFICATION	ILLINOIS-AMERICAN WATER C	11/1/18	1025-220011635316	11/01/2018	519.54	.00	
13-300-5108 BEAUTIFICATION	LANDSCAPE CONCEPTS MANA	153034	LANDSCAPE MAINTENANCE	11/01/2018	508.92	.00	
Total EXPENSES:					1,028.46	.00	
Total TOURISM DISTRICT:					1,028.46	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
SOLID WASTE DISPOSAL FUND EXPENSES							
17-300-5420 SWANCC CHARGES	ADVANTAGE MARKETING GRO	33111	GARBAGE NOTICE	11/05/2018	1,225.00	.00	
17-300-5420 SWANCC CHARGES	ADVANTAGE MARKETING GRO	33111-P	GARBAGE NOTICE	11/05/2018	1,094.28	.00	
17-300-5420 SWANCC CHARGES	SOLID WASTE AGENCY	6041	O&M COSTS	11/01/2018	27,090.86	.00	
Total EXPENSES:					29,410.14	.00	
Total SOLID WASTE DISPOSAL FUND:					29,410.14	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
CAPITAL IMPROVEMENTS							
30-550-7040 VEHICLES - PS	CURRIE MOTORS FLEET	H11673	FORD F-250	10/17/2018	36,960.25	.00	
Total :					36,960.25	.00	
Total CAPITAL IMPROVEMENTS:					36,960.25	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
WATER FUND							
EXPENSES							
51-300-4100 HEALTH INSURANCE	MOE FUNDS	11/5/18	NOV PREMIUMS	11/05/2018	2,015.00	.00	
51-300-4110 LIFE INSURANCE	MADISON NATIONAL LIFE	1317518	LIFE INSURANCE	11/01/2018	10.31	.00	
51-300-5101 AUDIT	LAUTERBACH & AMEN, LLP	31456	ACCOUNTING SERVICE	10/15/2018	2,475.00	.00	
51-300-5221 PRINTING	CARDMEMBER SERVICE	10/19/18	APWA DECALS	10/19/2018	89.42	.00	
51-300-5410 UTILITIES	CONSTELLATION NEWENERGY	13246595601	8285845	10/30/2018	354.97	.00	
51-300-5410 UTILITIES	NICOR GAS	10-24-18	WTR 70-06-34-0000 9	10/24/2018	111.34	.00	
51-300-5410 UTILITIES	VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	56.04	.00	
51-300-5410 UTILITIES	VERIZON WIRELESS	9815610750	OCTOBER STATEMENT	10/01/2018	280.20	.00	
51-300-5410 UTILITIES	VERIZON WIRELESS	9817079495	MONTHLY SERVICE	10/23/2018	40.01	.00	
51-300-5530 WORKERS COMPENSATI	ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	217.30	.00	
51-300-5661 METERS	CORE & MAIN LP	J668302	WATER METERS	10/18/2018	3,269.00	.00	
51-300-5710 OPERATING SUPPLIES	ASSOCIATED TECHNICAL SERV	30636	PW OPERATING SUPPLIES	10/16/2018	1,065.00	.00	
Total EXPENSES:					9,983.59	.00	
Total WATER FUND:					9,983.59	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
PARKING FUND							
EXPENSES							
52-300-5410 UTILITIES	NICOR GAS	10/24/18	METRA 20-24-74-0000 3	10/24/2018	40.40	.00	
Total EXPENSES:					40.40	.00	
Total PARKING FUND:					40.40	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
SANITARY SEWER FUND							
EXPENSES							
53-300-5050 SYSTEM MAINTENANCE	STANDARD EQUIPMENT CO	P10425	SEWER CAMERA REPAIR	11/01/2018	397.27	.00	
53-300-5101 AUDIT	LAUTERBACH & AMEN, LLP	31456	ACCOUNTING SERVICE	10/15/2018	2,475.00	.00	
53-300-5530 WORKER'S COMP INSUR	ILLINOIS PUBLIC RISK FUND	52028	WORKER'S COMPENSATION	10/15/2018	54.33	.00	
Total EXPENSES:					2,926.60	.00	
Total SANITARY SEWER FUND:					2,926.60	.00	

GL Account and Title	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid
ROAD & BUILDING BOND ESCROW							
72-000-2310 DEPOSIT ROAD/BUILDE	ROSALBA CARDI	18-196	ROAD BOND REFUND	10/30/2018	1,212.00	.00	
Total :					1,212.00	.00	
Total ROAD & BUILDING BOND ESCROW:					1,212.00	.00	
Grand Totals:					307,597.02	.00	

GL Account and Title	Net Invoice Amount	Amount Paid	Date Paid
GENERAL FUND			
Total GENERAL FUND:	226,035.58	.00	
TOURISM DISTRICT			
Total TOURISM DISTRICT:	1,028.46	.00	
SOLID WASTE DISPOSAL FUND			
Total SOLID WASTE DISPOSAL FUND:	29,410.14	.00	
CAPITAL IMPROVEMENTS			
Total CAPITAL IMPROVEMENTS:	36,960.25	.00	
WATER FUND			
Total WATER FUND:	9,983.59	.00	
PARKING FUND			
Total PARKING FUND:	40.40	.00	
SANITARY SEWER FUND			
Total SANITARY SEWER FUND:	2,926.60	.00	
ROAD & BUILDING BOND ESCROW			
Total ROAD & BUILDING BOND ESCROW:	1,212.00	.00	
Grand Totals:	307,597.02	.00	