New Issue | Investment Rating:
Date of Sale: Monday, September 16, 2024 | Moody's Investors Service, Inc. ... Aa1
Between 11:15 and 11:30 A.M., C.D.T.
(Open Speer Auction)

Official Statement

*Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "**TAX EXEMPTION**" herein for a more complete discussion.*

$18,755,000*
VILLAGE OF ARLINGTON HEIGHTS
Cook County, Illinois
General Obligation Bonds, Series 2024

Dated Date of Delivery | **Book-Entry** | **Due Serially December 1, 2025-2039**

The $18,755,000* General Obligation Bonds, Series 2024 (the "Bonds") are being issued by the Village of Arlington Heights, Cook County, Illinois (the "Village"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2025. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due Dec. 1	Interest Rate	Price or Yield	CUSIP Number(1)
$ 310,000	2025	______%	______%	___________
965,000	2026	______%	______%	___________
1,215,000	2027	______%	______%	___________
1,275,000	2028	______%	______%	___________
1,345,000	2029	______%	______%	___________
950,000	2030	______%	______%	___________
1,520,000	2031	______%	______%	___________
1,595,000	2032	______%	______%	___________
$1,175,000	2033	______%	______%	___________
1,235,000	2034	______%	______%	___________
795,000	2035	______%	______%	___________
835,000	2036	______%	______%	___________
1,775,000	2037	______%	______%	___________
1,845,000	2038	______%	______%	___________
1,920,000	2039	______%	______%	___________

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

The Bonds due December 1, 2025-2033, inclusive, are not subject to optional redemption. The Bonds due December 1, 2034-2039, inclusive, are callable in whole or in part on any date on or after December 1, 2033, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to finance various capital improvements throughout the Village and to pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the Village and are payable from any funds of the Village legally available for such purpose, and all taxable property of the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Village **does not intend** to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Official Statement is dated September 3, 2024, and has been prepared under the authority of the Village. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Mr. Thomas Kuehne, Finance Director, Village of Arlington Heights, 33 South Arlington Heights Road, Arlington Heights, Illinois 60005, or from the Municipal Advisor to the Village:

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954

**Subject to change.*

(1) CUSIP numbers appearing in this Official Statement have been provided by CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The Village is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), this document, as the same may be supplemented or corrected by the Village from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Village.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement and the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

TABLE OF CONTENTS

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	Village of Arlington Heights, Cook County, Illinois (the "Village").
Issue:	$18,755,000* General Obligation Bonds, Series 2024 (the "Bonds").
Dated Date:	Date of delivery, expected to be on or about October 2, 2024.
Interest Due:	Each June 1 and December 1, commencing June 1, 2025.
Principal Due:	Serially each December 1, commencing December 1, 2025 through 2039, as detailed on the cover page of this Official Statement.
Optional Redemption:	The Bonds maturing on or after December 1, 2034, are callable at the option of the Village on any date on or after December 1, 2033, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	The Bonds are being issued pursuant to the home rule powers of the Village under Section 6 of Article VII of the Illinois Constitution of 1970 and a bond ordinance adopted by the President and Board of Trustees of the Village (the "Ordinance") on the 16th day of September, 2024. The Village is a home rule unit under the Illinois Constitution and as such has no debt limitation and is not required to seek referendum approval to issue the Bonds.
Purpose:	The Bonds are being issued to finance various capital improvements throughout the Village and to pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.
Security:	The Bonds are valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
Investment Rating:	The Bonds have been rated "Aa1" by Moody's Investors Service, Inc., New York, New York ("Moody's"). See **"INVESTMENT RATING"** herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under **"TAX EXEMPTION"** in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
No Bank Qualification:	The Bonds **are not** "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See **"QUALIFIED TAX-EXEMPT OBLIGATIONS"** herein.
Bond Registrar/Paying Agent:	UMB Bank, National Association, Kansas City, Missouri.
Delivery:	The Bonds are expected to be delivered on or about October 2, 2024.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

VILLAGE OF ARLINGTON HEIGHTS
Cook County, Illinois

Thomas W. Hayes
President

Board of Trustees

Richard Baldino
James J. Bertucci
Wendy Dunnington
Nicole Grasse
Robin LaBedz
Thomas F. Schwingbeck Jr.
Scott Shirley
Jim Tinaglia

Officials

Randall Recklaus
Village Manager

Thomas Kuehne
Director of Finance/Treasurer

Rebecca A. Hume
Village Clerk

Hart M. Passman, Esq.
Village Attorney

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning the Village of Arlington Heights, Cook County, Illinois (the "Village"), in connection with the offering and sale of its $18,755,000* General Obligation Bonds, Series 2024 (the "Bonds").

This Official Statement contains "forward-looking statements" that are based upon the Village's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the Village. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the Village nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

**Subject to change.*

AUTHORIZATION, PURPOSE AND SECURITY

The Bonds are issued pursuant to the home rule powers of the Village, under Section 6 Article VII of the 1970 Constitution of the State of Illinois and a bond ordinance to be adopted by the President and Board of Trustees of the Village (the "Village Board") on the 16th day of September, 2024 (the "Bond Ordinance").

Proceeds of the Bonds will be used to finance various capital improvements throughout the Village and to pay costs associated with the issuance of the Bonds. See "**THE PROJECT**" herein.

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Bonds will be payable by UMB Bank, Kansas City, Missouri (the "Registrar").

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2025. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

THE PROJECT

Bond proceeds will be also be used to finance various capital improvements throughout the Village and to pay the costs of issuing the Bonds. Such capital improvements include street, sidewalk, paver brick, and traffic signal programs.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	
Principal Amount	$_________
Net Original Issue Premium	_________
Total Sources	$_________
USES:	
Pay Costs of the Project	$_________
Costs of Issuance(1)	_________
Total Uses	$_________

Note: (1) Includes underwriter's discount, fixed costs of issuance and contingencies.

OPTIONAL REDEMPTION

The Bonds due December 1, 2025-2033, inclusive, are not subject to optional redemption. The Bonds due December 1, 2034-2039, inclusive, are callable in whole or in part on any date on or after December 1 2033, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Construction Risks

There are potential risks that could affect the ability of the Village to timely complete the Project. While preliminary costs have been projected by the Village's consulting architects, not all of the construction contracts have been let by the Village. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

While the finances of the State of Illinois (the "State") have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 44%. Also, despite eight credit rating upgrades since June 2021, the State's long term general obligation bonds carry the lowest ratings of all states.

The State enacted full budgets for the State fiscal years ending June 30, 2018 (the "Fiscal Year 2018 Budget"), June 30, 2019 (the "Fiscal Year 2019 Budget"), June 30, 2020 (the "Fiscal Year 2020 Budget"), June 30, 2021 (the "Fiscal Year 2021 Budget"), June 30, 2022 (the "Fiscal Year 2022 Budget"), and June 30, 2023 (the "Fiscal Year 2023 Budget"). On June 7, 2023, the Governor signed the State's budget (Public Act 103-006) for the fiscal year ending June 30, 2024 (the "Fiscal Year 2024 Budget"), which included a $183 million surplus, additional contributions to the State pension system and the State's Budget Stabilization Fund, commonly referred to as the State's "rainy day" fund, which is set to surpass $2 billion, and the elimination of the State's bill backlog.

Under current law, the State shares a portion of sales tax, income tax, use tax and motor fuel tax revenue with municipalities, including the Village. The State's general fiscal condition and the underfunding of the State's pension systems have materially adversely affected the State's financial condition and may result in decreased or delayed revenues allocated to the Village. In addition, the Fiscal Year 2018 Budget, the Fiscal Year 2019 Budget and the Fiscal Year 2020 Budget contained a provision reducing the amount of income tax revenue to be deposited into the Local Government Distributive Fund for distribution to municipalities, like the Village, by 10% for State Fiscal Year 2018 and by 5% for State Fiscal Year 2019 and State Fiscal Year 2020. Subsequent State budgets have not included any such reduction. The Fiscal Year 2018 Budget, and each budget thereafter also include a service fee for collection and processing of local imposed sales taxes. Such fee was 2% of such sales taxes for State Fiscal Year 2018 and was reduced to 1.5% of such sales taxes for State Fiscal Year 2019 and each State Fiscal Year thereafter.

The Village cannot determine at this time the financial impact of these provisions on its overall financial condition, but such provisions may result in lower income tax revenues and sales tax revenues distributed to the Village. The Village can give no assurance that there will not be additional changes in applicable law modifying the manner in which local revenue sharing is allocated by the State, nor can the Village predict the effect the State's financial problems, including those caused by the Novel Coronavirus 2019 ("COVID 19") or the various governmental or private actions in reaction thereto, may have on the Village's future finances.

Future Pension Plan Funding Requirements

The Village participates in the Police Pension Plan and the Fire Pension Plan, both as hereinafter defined. Under the Illinois Pension Code, as amended (the "Pension Code"), the Village is required to contribute to each plan in order to achieve a Funded Ratio of 90% by 2040. In order to achieve the 90% Funded Ratio for both plans by 2040, it is expected that the annual employer contributions required by the Village will increase over time. The Village also participates in the Illinois Municipal Retirement Plan (the "IMRF Plan"), which is a defined benefit pension plan administered by the Illinois Municipal Retirement Fund ("IMRF"); employer contributions are projected by IMRF to increase over time. Increasing annual required employer contributions for the Village could have a material adverse effect on the finances of the Village. The State released an interim FY2023 report that reflected and expected growth in the net pension liability. As of June 30, 2023, the projected net pension liability was $145.6 billion, an increase of $5.7 billion or 4% when compared to FY2022. The State released an interim FY2023 report that reflected and expected growth in the net pension liability. As of June 30, 2023, the projected net pension liability was $145.6 billion, an increase of $5.7 billion or 4% when compared to FY2022.

The Pension Code allows the State Comptroller, after proper procedures have taken place, to divert State payments intended for the Village to the Police Pension Plan and the Fire Pension Plan to satisfy contribution shortfalls by the Village. If the Village does not make 100% of its annual required contributions to the Police Pension Plan and Fire Pension Plan, the Village may have revenues withheld by the State Comptroller. Such withholdings by the State Comptroller could adversely affect the Village's financial health and operations. See **"EMPLOYEE RETIREMENT PLANS"** herein for a more complete discussion.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the Village. Despite the implementation of network security measures by the Village, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the Village does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the Village's operations and financial health. Further, as cybersecurity threats continue to evolve, the Village may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Local Economy

The financial health of the Village is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Village.

Loss or Change of Bond Rating

The Bonds have received a credit rating from Moody's. The rating can be changed or withdrawn at any time for reasons both under and outside the Village's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Continuing Disclosure

A failure by the Village to comply with the Continuing Disclosure Undertaking (the "Undertaking") for continuing disclosure (see **"CONTINUING DISCLOSURE"** and **"THE UNDERTAKING"** herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

Various state and federal laws, regulations and constitutional provisions apply to the Village and to the Bonds. The Village can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Village, or the taxing authority of the Village. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State may affect the overall financial conditions of the Village, the taxable value of property within the Village, and the ability of the Village to levy property taxes or collect revenues for its ongoing operations.

Factors Relating to Tax Exemption

As discussed under **"TAX EXEMPTION"** herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Village in violation of its covenants in the Bond Ordinance. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States ("Congress") legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the Village's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the Village.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the Village could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified.

Climate Change Risk

There are potential risks to the State, the Village and their respective financial condition that are associated with changes to the climate over time and with increases in the frequency, timing and severity of extreme weather events, causing or increasing the severity of flooding and other natural disasters. The Village cannot predict how or when various climate change risks may occur, nor can it quantify the impact on the State or the Village, its population or its financial condition. Over time, the costs could be significant and could have a material adverse effect on the Village's finances.

THE VILLAGE

The Village was incorporated in 1887 and is located approximately 25 miles northwest of the City of Chicago. The Village encompasses an area of 16.6 square miles and was originally settled in the 1830's. The first railroad linking the area to downtown Chicago was constructed in 1854 and shortly thereafter the area became known as the Town of Dunton. The town's name was changed to Arlington Heights in 1874 and incorporation as a village occurred in 1887.

Access to this area is provided through the facilities of nearby O'Hare International Airport, Union Pacific Railway line of Metra, and the northwest route of the Illinois Tollway, I-90. Adjacent communities include Buffalo Grove to the north, Wheeling, Prospect Heights and Mount Prospect to the east, Elk Grove Village to the south, and Rolling Meadows and Palatine to the west.

The Village's population according to the 2020 Census was 77,676, representing an increase of 3.4% over the 2010 Census of 75,101. The Chicago Metropolitan Agency for Planning ("CMAP") projects the Village population to grow to 90,283 by the year 2040. According to census data, the Village is, by population, the second largest suburb in Cook County, eighth largest suburb in the Chicago Metropolitan area and fourteenth largest community in the State of Illinois.

Organization and Services

The Village is a home rule municipality under the Illinois Constitution and operates under the Council/Manager from of government. Policy is determined by the Village Board, which is comprised of the Village President and eight trustees elected at large for staggered four-year terms. The Village Board appoints a Village Manager and Attorney. The Village Manager is responsible for the day-to-day operations of the Village.

The Village employs approximately 431 full-time equivalent employees, including 108 full-time fire fighters and 109 sworn police officers. In addition, there are 158 library employees, a component unit of the Village. The Village has a history of good labor relations. The only employees who are members of a collective bargaining group are certain employees within the police and fire departments. The Metropolitan Alliance of Police, Arlington Heights Police Chapter No. 510 has a three-year contract that will expire on December 31, 2025. The Arlington Heights Fire Fighters Association, Local 3105 also has a three-year contract that will expire on December 31, 2025.

The Village has shown a commitment to forward planning since its first zoning ordinance was adopted in 1927. In 1957, the Village's first Comprehensive Plan was adopted, and a Five-Year Capital Improvement Program is prepared annually. The current plan covers the fiscal years 2025 through 2029.

The four existing Village fire stations were constructed in 1968, 1971, 1999 and 2006. In the winter of 2018, the Village completed the construction of a new police station. The two-story building is approximately 70,500 square feet and includes a 10,000 square foot garage.

The Village and neighboring communities participate in several joint venture undertakings: a central police dispatching facility; mutual aid fire protection agreements; a joint purchasing agreement where the Village purchases the petroleum products for High School District 214, the Arlington Heights Park District (the "Park District") (a separate municipal corporation), and Grade School District 25; a joint municipal insurance agency; a joint water wholesale system; and a joint solid waste agency.

The Village water supply and distribution system began operation in 1902. In order to obtain a reliable long-term source of potable water, the Village has contracted with Northwest Water Commission to purchase Lake Michigan water. The Commission is composed of the Villages of Arlington Heights, Buffalo Grove, Palatine, and Wheeling. The Village's well system is maintained only for emergency use. The Village presently has 31 million gallons of storage capacity. Average daily consumption in 2023 was 7.2 million gallons per day. Sewage treatment is the responsibility of the Metropolitan Water Reclamation District of Greater Chicago, with the Village responsible for the maintenance of its sewerage collection system. Other utilities are provided by Northern Illinois Gas (gas), Commonwealth Edison (electricity) and AT&T (telephone).

Community Life

The Park District is virtually coterminous with the Village. The District owns or leases more than 715 acres of community parks, neighborhood parks and play lots. The District also operates and maintains several recreational facilities, including five outdoor swimming pools, five community centers (each with meeting rooms and four with gymnasiums), a cultural arts center, historical museum and a senior center. The District also operates and maintains Forest View Racquet and Fitness Club (a full service fitness facility with six indoor and outdoor tennis courts), Heritage Tennis Club (eight indoor tennis courts), Arlington Lakes Golf Club (an 18-hole golf course), Ridge Center, Nickol Knoll Golf Club (a 9-hole golf course), Melas Park Softball Complex (four lighted softball and one soccer field), Lake Arlington's 1.8-mile walk/bike path and 50-acre boating lake, Sunset Meadows driving range, athletic fields and .88-mile walking path. The District's parks also include numerous baseball and softball diamonds, football fields, soccer fields, playgrounds outdoor tennis courts, outdoor ice skating rinks, sand volleyball courts, basketball courts and picnic areas. The Village leases Lake Arlington to the Park District; a man-made lake over two miles in circumference constructed for storm retention purposes, it has boating and various recreation facilities.

Northwest Community Hospital is a 488 bed facility located in the Village. It received its first patient in 1959 and had major expansions in 1965, 1966, 1972, 1998 and 2009. The Village has assisted the hospital by issuing Hospital Facility (Industrial Revenue) Revenue Bonds. In March 1995, the Village approved the Hospital's Master Plan which called for a Wellness Center (constructed in 1995), a parking garage and a hospital addition. The Patient Care addition opened in spring 2010 with 200 private rooms. In addition to the Northwest Community Hospital, other area hospitals include Holy Family Hospital, Alexian Brothers Medical Center, St. Alexius Medical Center and Lutheran General Hospital.

The Historical Society of Arlington Heights (the "Society") was chartered in 1957 to collect, preserve, exhibit and interpret significant materials relating to the Village. In 1966 the Village purchased three buildings for the Society. Visitors and residents tour the "Banta House" which is restored to the 1908-1916 period; the "Muller and Coach Houses" and the "Log Cabin" which represents the home of the Village's 1836 settlers. The Historical Museum (the "Museum") which is part of the Society's complex, was opened in 1968. In 1985, the Society entered into a three-way agreement with the Village government and the Park District to operate the Museum.

The Arlington Heights Memorial Library (the "Library") has a seven member board elected at large for staggered, six-year terms. The Library Board functions as an independent entity of the Village, with the Village providing oversight such as debt issuance and levying of the Library's annual real estate taxes. In 1992, voter approval was given to build a 56,000 square foot addition to the Library and to renovate the original facility. The process of renovating and expanding the Library facilities was completed in 1996. There are over 49,400 registered borrowers and approximately 514,000 volumes. The circulation of library materials is over 2.6 million items.

Education

There are six elementary districts and two high school districts providing education for the children of the Village residents. Approximately 59% of the Village is served by the School District Number 25. Other school districts serving the Village are School District Number 15 (serving 4% of the Village), School District Number 21 (serving 15% of the Village), School District Number 23 (serving 7% of the Village), School District Number 57 (serving 1% of the Village) and School District Number 59 (serving 14% of the Village).

Township High School District 214 (Arlington Heights) (the "District") serves a majority of Village residents and is comprised of six high schools and two special education facilities. Each of the six high schools in the District offers a comprehensive curriculum of academics and co-curricular activities. Offerings include Advanced Placement courses, a Talent Development program, social, academic and career counseling, and special education services.

Higher Education

Higher educational facilities are available at Community College District Number 512 (Harper Community College). Robert Morris University also maintains a location in the Village. Robert Morris University is a private, not-for-profit associate, baccalaureate, and master's degree-generating institution. Numerous institutions of higher education are located in the Chicago Metropolitan Area.

Transportation

The Village is served by state roads and interstate highways including State Routes 12, 21, 45, 53 and 72 and Interstates I-90 (the "golden corridor"), I-94, I-294 and I-290. O'Hare International Airport (commercial airport) is located adjacent to the Village, and Chicago Executive Airport (a public airport for smaller sized planes) is located in the Village of Wheeling, adjacent to the Village. The Union Pacific Railroad/Metra has two commuter stops in the Village.

SOCIOECONOMIC INFORMATION

The following statistics pertain principally to the Village. Additional comparisons are made with Cook County (the "County") and the State of Illinois (the "State").

Population

The following tables show population growth for the Village and various population rankings.

Village Population*(1)*

Year	Population(1)	Percent
1950	8,768	N/A
1960	27,878	217.95%
1970	64,884	132.74%
1980	66,116	1.90%
1990	75,460	14.13%
2000	76,031	0.76%
2010	75,101	(1.22%)
2020	77,676	3.43%

Note: (1) Source: Bureau of the Census.

Employment

The following is a list of large employers located in the Village. Additional employment opportunities are available to Village residents throughout the Chicago Metropolitan area.

Major Village Employers*(1)*

Name	Business/Service	Approximate Employment
Northwest Community Healthcare	General Hospital	4,025
Beacon Sales Acquisition, Inc.	Wholesale Building Products	3,000
Arlington Heights High School District Number 214	Public School	1,630
International Services, Inc.	Corporate Headquarters; Management Consulting	1,200
Clearbook	Specialty Outpatient Clinic	1,000
Lumen Technologies, Inc.	Data and Voice Communications Services	500
Village of Arlington Heights	Municipality	430
Gurtz Electric Co.	Commercial, Office Building and Institutional Electrical Contracting Services	300
Pace	Company Headquarters	275
Johnson Controls, Inc., Building Efficiency Div.	Industrial Machinery and Equipment	250
Weber Packaging Solutions	Labeling Systems	250
Advance Mechanical Systems, Inc.	Heating, Air Conditioning, Plumbing and Water Treatment Contractor	240
IMS Buhrke-Olson	Precision Metal Stampings and Assemblies	230
Global Resources, LLC	Business Consultants	225
Intertek Testing Service, NA, Inc.	Testing Laboratories	200
JTEKT Toyoda Americas Corp.	Machine Tools	186
GE Healthcare Technologies, Inc.	Pharmaceuticals	180
Johnson Fire Protection LP	Fire Sprinklers	170
Lake Shore Beverage	Beer Distributor	170
Automatic Mechanical Services, Inc.	Plumbing, Heating, Air Conditioning	160

Notes: (1) Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory and a selective telephone survey.

The following is a list of large employers located in the surrounding communities.

Major Area Employers*(1)*

Location	Name	Business/Service	Approximate Employment
Northbrook	Allstate Corporation	Insurance Corporate Office	8,000
Park Ridge	Advocate Lutheran General Hospital	Health Care Institution	4,250
Rolling Meadows	Northrop Grumman Corp.	Divisional Headquarters and Search and Navigation Equipment	2,800
Schaumburg	Zurich North America	Life Insurance Corporate Headquarters	2,500
Elk Grove Village	Ascension Alexian Brothers	Regional Medical Center	2,100
Schaumburg	Nation Pizza & Foods	Pizza and Related Items	2,000
Elk Grove Village	TAK Trucking, Inc.	Trucking	2,000
Buffalo Grove	Siemens Industry, Inc.	Corporate Headquarters and Building Control Systems	1,800
Elk Grove Village	Automatic Data Processing, Employer Services	Data Processing and Payroll Services	1,500
Northbrook	UL Solutions	Independent Non-Profit Testing	1,500
Des Plaines	UOP, LLC	Chemical Engineering Services	1,500
Schaumburg	Motorola Solutions, Inc.	Communications Equipment, Corporate Headquarters	1,200
Northbrook	Astellas Pharma US, Inc.	Corporate Headquarters, Pharmaceutical Products	1,150
Des Plaines	Ascension Holy Family	General Hospital	1,050
Des Plaines	Oakton Community College	Public Community College	1,000
Rolling Meadows	Arthur J. Gallagher & Co.	Insurance	825
Schaumburg	OptumRx, Inc,	Software Development	800
Schaumburg	Paylocity Corp.	Corporate Headquarters, Software Development	800
Des Plaines	Wheels, Inc.	Automobile Leasing	800

Notes: (1) Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the Village, the County, and the State as reported by the U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Employment By Industry*(1)*

	The Village		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	120	0.3%	4,403	0.2%	66,259	1.1%
Agriculture, Forestry, Fishing and Hunting, and Mining	93	0.2%	5,098	0.2%	64,950	1.0%
Construction	1,850	4.7%	123,190	4.7%	342,937	5.5%
Manufacturing	5,096	12.8%	242,737	9.3%	731,486	11.6%
Wholesale Trade	1,187	3.0%	64,144	2.5%	175,238	2.8%
Retail Trade	3,832	9.6%	240,182	9.2%	658,806	10.5%
Transportation and Warehousing, and Utilities	2,720	6.8%	200,420	7.7%	434,186	6.9%
Information	743	1.9%	51,552	2.0%	107,181	1.7%
Finance and Insurance, and Real Estate and Rental and Leasing	3,807	9.6%	217,240	8.4%	463,714	7.4%
Professional, Scientific, and Management, and Administrative and Waste Management Services	6,922	17.4%	406,184	15.6%	786,872	12.5%
Educational Services and Health Care and Social Assistance	8,597	21.6%	606,870	23.3%	1,466,053	23.3%
Arts, Entertainment and Recreation and Accommodation and Food Services	2,580	6.5%	225,094	8.7%	527,829	8.4%
Other Services, Except Public Administration	1,575	4.0%	124,868	4.8%	287,651	4.6%
Public Administration	768	1.9%	93,040	3.6%	233,544	3.7%
Total	39,770	100.0%	2,600,619	100.0%	6,280,447	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Employment By Occupation*(1)*

	The Village		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	23,040	57.9%	1,158,970	44.6%	2,614,394	41.6%
Service	4,030	10.1%	428,545	16.5%	1,018,669	16.2%
Sales and Office	7,235	18.2%	512,407	19.7%	1,276,600	20.3%
Natural Resources, Construction, and Maintenance	1,531	3.8%	150,277	5.8%	448,841	7.1%
Production, Transportation, and Material Moving	3,934	9.9%	350,420	13.5%	921,943	14.7%
Total	39,770	100.0%	2,600,619	100.0%	6,280,447	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Annual Average Unemployment Rates*(1)*

Calendar Year	Village	Cook County	State of Illinois
2015	4.5%	6.3%	5.3%
2016	4.6%	6.2%	4.9%
2017	3.7%	5.1%	4.4%
2018	3.1%	4.2%	3.9%
2019	2.7%	3.9%	3.7%
2020(2)	7.2%	10.6%	8.1%
2021	4.1%	7.0%	5.3%
2022	3.3%	4.9%	3.6%
2023	3.2%	4.4%	3.6%
2024(3)	3.8%	5.1%	4.8%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Due to the effects of Coronavirus 19.
(3) Preliminary rates for May 2024.

Building Permits

Village Building Permits*(1)*
(Excludes the Value of Land)

	Commercial Construction		Residential Construction				
			Single-Family		Multi-Family		
Calendar Year	Number of Units	Value	Number of Units	Value	Number of Units	Value	Total Value(2)
2014	2	$10,690,000	54	$19,453,681	24	$ 3,240,000	$33,383,681
2015	8	21,830,539	63	21,378,893	4	470,000	43,679,432
2016	5	53,649,819	56	23,410,186	55	12,147,000	89,207,005
2017	2	28,448,732	71	27,539,827	10	1,734,484	57,723,043
2018	7	17,828,294	39	13,794,509	37	8,826,941	40,449,744
2019	3	10,843,416	31	12,891,775	5	71,963,785	95,698,976
2020	0	0	19	23,907,444	2	2,735,685	26,643,129
2021	1	1,200,000	21	13,786,875	1	15,300,000	30,286,875
2022	5	5,292,094	31	21,922,468	1	9,617,500	36,832,062
2023	1	8,000,000	31	20,755,626	0	0	28,755,626

Notes: (1) Source: The Village. Based on valuations per building permits issued by the Village of Arlington Heights Building Department.
(2) Does not include permits for miscellaneous purposes.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was $396,500. This compares to $293,700 for the County and $239,100 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, the County and the State as reported by the U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Home Values*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Under $50,000	414	1.8%	42,174	3.8%	214,345	6.7%
Under $50,000	23,041	50.5%	40,965	3.4%	180,748	5.5%
$50,000 to $99,999	540	1.2%	47,665	4.0%	324,962	9.8%
$100,000 to $149,999	320	0.7%	92,280	7.8%	391,156	11.8%
$150,000 to $199,999	1,424	3.1%	131,587	11.1%	435,868	13.2%
$200,000 to $299,999	1,580	3.5%	300,493	25.3%	776,095	23.4%
$300,000 to $499,999	2,791	6.1%	342,666	28.8%	785,156	23.7%
$500,000 to $999,999	10,212	22.4%	181,218	15.2%	339,326	10.2%
$1,000,000 or more	5,674	12.4%	52,071	4.4%	79,498	2.4%
Total	45,582	100.0%	1,188,945	100.0%	3,312,809	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Mortgage Status*(1)*

	The Village		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	14,360	62.3%	753,292	63.4%	2,054,273	62.0%
Housing Units without a Mortgage	8,681	37.7%	435,653	36.6%	1,258,536	38.0%
Total	23,041	100.0%	1,188,945	100.0%	3,312,809	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Income

Per Capita Personal Income for the Highest Income Counties in the State*(1)*

Ranking	County	2018 to 2022
1	DuPage County	$55,107
2	Lake County	53,677
3	Monroe County	47,248
4	McHenry County	46,322
5	**Cook County**	**45,646**
6	Kane County	44,523
7	Will County	44,356
8	Grundy County	42,192
9	Menard County	41,497
10	Piatt County	41,429

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The following shows the median family income for counties in the State.

Ranking of Median Family Income*(1)*

County	Family Income	Ranking
DuPage County	$131,901	1
Lake County	126,685	2
Monroe County	123,603	3
Will County	119,675	4
McHenry County	116,736	5
Kendall County	114,678	6
Kane County	112,260	7
Cook County	**97,520**	**15**

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of $143,272. This compares to $97,520 for the County and $99,215 for the State. The following table represents the distribution of family incomes for the Village, the County and the State as reported by the U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Family Income*(1)*

	The Village		The County		The State	
Income	Number	Percent	Number	Percent	Number	Percent
Under $10,000	177	0.9%	54,063	4.6%	118,179	3.8%
Under $10,000	397	1.9%	43,071	3.6%	92,548	3.0%
$10,000 to $14,999	266	1.3%	22,773	1.9%	51,680	1.6%
$15,000 to $24,999	420	2.0%	56,701	4.7%	127,333	4.1%
$25,000 to $34,999	479	2.3%	71,335	5.9%	160,445	5.1%
$35,000 to $49,999	858	4.2%	106,849	8.8%	267,949	8.5%
$50,000 to $74,999	1,820	8.8%	167,778	13.9%	455,252	14.5%
$75,000 to $99,999	2,069	10.0%	149,547	12.4%	423,500	13.5%
$100,000 to $149,999	4,605	22.3%	228,932	18.9%	660,439	21.1%
$150,000 to $199,999	3,635	17.6%	143,577	11.9%	385,443	12.3%
$200,000 or more	6,078	29.5%	220,107	18.2%	509,514	16.3%
Total	20,627	100.0%	1,210,670	100.0%	3,134,103	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of $113,502. This compares to $78,304 for the County and $78,433 for the State. The following table represents the distribution of household incomes for the Village, the County and the State as reported by the U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Household Income*(1)*

	The Village		The County		The State	
Income	Number	Percent	Number	Percent	Number	Percent
Under $10,000	1,086	3.4%	124,376	6.0%	261,983	5.3%
$10,000 to $14,999	749	2.4%	81,221	3.9%	173,630	3.5%
$15,000 to $24,999	1,560	4.9%	140,887	6.8%	332,403	6.7%
$25,000 to $34,999	1,216	3.8%	147,582	7.1%	350,966	7.1%
$35,000 to $49,999	1,741	5.5%	200,137	9.7%	500,799	10.1%
$50,000 to $74,999	4,128	13.0%	301,969	14.6%	766,671	15.4%
$75,000 to $99,999	3,351	10.6%	255,350	12.4%	639,046	12.9%
$100,000 to $149,999	7,014	22.1%	346,116	16.8%	876,255	17.6%
$150,000 to $199,999	4,224	13.3%	191,308	9.3%	467,313	9.4%
$200,000 or more	6,614	20.9%	277,302	13.4%	599,695	12.1%
Total	31,683	100.0%	2,066,248	100.0%	4,968,761	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey, ACS 5-Year Estimates, 2022.

Significant Events and Future Prospects

The Village's economic strategy over the last few years has been successful in attracting many corporations to locate or expand their existing facilities in the Village. Several major sales tax generating businesses received approval to locate in the Village. Numerous shopping centers were redeveloped and upgraded and growth and expansion in the Village's award winning Downtown continued.

In an effort to spur redevelopment in one of the most highly visible intersections and a gateway to the community from the south, the Village has developed and approved a redevelopment plan and Tax Increment Financing District IV ("TIF IV") for the properties at the northeast corner of Golf and Arlington Heights Roads. TIF IV includes 34 acres and incorporates a number of commercial properties. The goal of the redevelopment plan is to revitalize existing properties within the area and to stimulate and enhance private development. The Village has acquired property at the northwest corner of Arlington Heights Road and Golf Road within TIF IV for future development, and is actively working with surrounding property interest on redevelopment options. In October 2023, the Village entered into a Memorandum of Understanding (MOU) with a developer to facilitate a public/private partnership for a $100 million mixed use development.

The Village Board recently adopted a corridor plan for localities along South Arlington Heights Road in order to facilitate redevelopment of several parcels containing over 60 acres of land. The concepts include a new mixed-use development for residential, commercial, and possibly entertainment uses. In order to facilitate new development and public improvements, the Village approved a new Tax Increment Financing District with a budget estimated at $80 million. It is estimated that the area will build out with 750 new residential units and 150,000 square feet of new commercial space. In 2024, the Village approved a 301 unit, 8 story redevelopment plan with 26,000 square feet of commercial space. This Gateway Development will be the first of four phases. The Village is currently negotiating a Redevelopment Agreement (RDA) with the developer for Tax Increment Financing assistance to facilitate the $130 million redevelopment project.

Over the past several years, new development projects were completed in the downtown area and have continued to successfully contribute to the economic growth of the downtown Arlington Heights area. In addition to attracting hundreds of new Arlington Heights residents, the developments have helped to spur a renewed interest by residents from Arlington Heights and surrounding areas in the downtown. Developments include Arlington Towne Square, Metropolis Performing Arts Theater and over 30 new restaurants and 1,500 residential units. Recently in 2021, Arlington 425 was approved by the Village, which will include 319 new residential units and additional restaurants. Arlington 425 is currently under building permit review. In late 2023, the Village approved another 135-unit mixed use development downtown with construction anticipated to begin in spring 2026. The critically acclaimed downtown has also prompted numerous inquiries from developers and community leaders throughout the United States.

Retail and restaurant sales have blossomed in the downtown area with recent new developments. Since completion of construction in the downtown area, numerous restaurants continue to open, and restaurant sales have increased from $7 million to over $48 million.

In 2005, the Village approved a redevelopment plan and Tax Increment Financing District V for two major commercial shopping areas on Rand Road and Palatine Road. These shopping centers are known as Town & Country Center and Southpoint Shopping Center. Both shopping centers had been in states of decline with declining property taxes. A Redevelopment Agreement was approved between the Village and Visconsi Companies that facilitated the major de-malling and redevelopment of the former Town Country Mall. Town & Country Center was completed in 2007 with the following new tenants: Dick's Sporting Goods, JoAnn Fabric Superstore, and LA Fitness. Small in line tenant spaces have also been leased to compliment the existing tenants of Best Buy, Marshall's and Walgreens. The Village recently negotiated a TIF incentive to facilitate additional out lot development and attract a new anchor grocery store. In July 2024, Amazon Fresh opened their new 50,000 square foot concept. In 2022 the Village negotiated a TIF incentive with the new owner of Southpoint Shopping Centers resulting in the attraction and opening of a 100,000 square foot At Home furnishing store.

The Village's Uptown shopping region was successful in attracting many other new tenants to the area, including but not limited to, Binny's Beverage, Burlington Coat Factory, Ultra, Trader Joes and Jewel, and the tenants previously mentioned as part of the Town & Country Center redevelopment. The Rand Road/Palatine Uptown District generates approximately 30% of the Village's no auto sales taxes.

In addition, Ridge Plaza in the north portion of the Village, continued its successful retail strategy with retail anchor Kohl's along with other tenants such as Harbor Freight and Portillo's. In the Southtown region of the Village Mittsewa Marketplace continues to draw customers from the region, and another shopping center which is almost 100% occupied recently added a new line of upscale Asian restaurants and retailers.

Auto sales remain strong with Bob Rohrman's Arlington Nissan, which underwent a complete façade renovation in 2023. In addition, in 2023, the Bob Rohrman Auto Group further invested and expanded the largest Lexus dealership in the country. Napleton Jeep Chrysler, Arlington Ford and Buick CMC rounds out a strong car dealership row on Dundee Road.

Endeavor Health Northwest Community Hospital completed their third Master Plan, which was a $250 million expansion, adding a new hospital tower, new state of the art emergency room facilities and associated improvements. The hospital is now planning further expansions with a state-of-the-art Neuroscience building.

Mariano's Fresh Market, located just east of downtown, maintains strong sales since opening in 2010. This was the very first Mariano's Fresh Market to open in the Chicago area. The Village has since then approved a redevelopment plan for the area near Mariano's to facilitate new mixed use residential and commercial development of an older industrial area. A new Tax Increment Financing District was approved and the redevelopment of 4 N Hickory, a 75-unit apartment building with first floor commercial was completed and occupied in late 2023.

United Airlines relocated major operations into an approximately 250,000 square foot building and in 2023 began expansion into an adjacent 162,398 square foot property on the former Motorola, Inc. campus in the Village. In addition, Amazon completed redevelopment and has been operating a new 180,000 square foot distribution center for the past few years.

Redevelopment continues on the former 25-acre Sheraton Hotel site near Arlington Racetrack, with 265 residential apartments which were completed in 2022 and are under occupancy. This is in addition to the redevelopment of the former Sheraton Hotel into 215 luxury rental apartments. The former water park on the property is now a state of the art 540,000 square foot First Ascent climbing wall facility, which is one of the largest in the Midwest. The venue is already hosting competitions, with climbers flocking from around the country to compete. The remainder of the site will include a hotel and restaurants as part of a massive redevelopment of this prominent site.

Finally, the Village continues discussions with the Chicago Bears Football Club regarding redevelopment of the 325 acres they purchased in early 2023. The Village has entered into a pre-development agreement with the club to set the stage for future redevelopment.

Retailers' Occupation, Service Occupation and Use Tax*(1)*

State Fiscal Year Ending June 30	Municipal Tax(2)	Percent Change +(-)	Home Rule Sales Tax(3)	Percent Change +(-)	Total	Percent Change +(-)
2015	$12,024,596	6.25%	$7,278,633	4.79%	$19,303,229	5.70%
2016	12,178,487	1.28%	7,157,338	(1.67%)	19,335,825	0.17%
2017	12,340,930	1.33%	6,929,360	(3.19%)	19,270,291	(0.34%)
2018	12,242,748	(0.80%)	6,865,971	(0.91%)	19,108,719	(0.84%)
2019	12,732,344	4.00%	7,177,682	4.54%	19,910,026	4.19%
2020	12,586,630	(1.14%)	7,047,340	(1.82%)	19,633,970	(1.39%)
2021	12,558,910	(0.22%)	6,483,184	(8.01%)	19,042,094	(3.01%)
2022	15,706,662	25.06%	9,042,350	39.47%	24,749,012	29.97%
2023	15,834,088	0.81%	9,703,421	7.31%	25,537,509	3.19%
2024	15,295,935	(3.40%)	9,707,424	0.04%	25,003,360	(2.09%)
Growth from 2015 to 2024		27.21%		33.37%		29.53%

Notes: (1) Source: Illinois Department of Revenue. Includes home rule sales tax.
(2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
(3) Effective January 1, 2010, the Village increased its home rule sales tax to 1.00%.

Sales Tax Receipts by Kind of Business*(1)*
(For the 12 months ended December 31, 2023)

	Municipal Tax(2)	Percent	Home Rule Sales Tax(3)	Percent	Total
General Merchandise	$ 716,294	4.7%	$ 630,229	6.5%	$ 1,346,523
Food	1,929,389	12.6%	536,237	5.5%	2,465,626
Drinking and Eating Places	2,058,671	13.5%	1,843,216	19.0%	3,901,888
Apparel	357,856	2.3%	354,688	3.6%	712,545
Furniture, Household & Radio	967,979	6.3%	960,428	9.9%	1,928,407
Lumber Building and Hardware	701,585	4.6%	700,458	7.2%	1,402,043
Automotive and Filling Stations	3,058,225	20.0%	786,276	8.1%	3,844,501
Drugs and Misc. Retail	3,350,072	21.9%	2,268,759	23.3%	5,618,831
Agriculture and All Other	1,960,136	12.8%	1,477,334	15.2%	33,437,470
Manufactures	167,859	1.1%	162,304	1.7%	330,163
Total	$15,268,067	100.0%	$9,719,930	100.0%	$24,987,997
Number of taxpayers (establishments)	7,465				

Notes: (1) Source: State of Illinois, Department of Revenue.
(2) The amount of Municipal Tax returned to the Village is equal to 1% of taxable sales made at businesses located with the corporate limits of the Village.
(3) The Village's Home Rule Sales Tax is currently 1.0% of taxable sales made at businesses located with the corporate limits of the Village.

The following table shows the distribution of the municipal portion of the State Income Tax collected by the State and distributed through the Local Government Distributive Fund by the State Comptroller over the past five fiscal years.

Income Tax Revenue History

Fiscal Year	Income Tax Revenues Distributions
2019	$7,993,678
2020	8,161,144
2021	9,939,827
2022	12,657,093
2023	12,406,362

Notes: (1) Source: the Village.

DEFAULT RECORD

The Village has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The Village has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds the Village will have $65,140,000* principal amount of outstanding general obligation debt. The Village has no outstanding revenue bonds. A summary of general obligation debt by issue, including the Bonds, is as follows. The Village does not expect to issue any additional general obligation debt within the next twelve months.

Outstanding General Obligation Debt - By Issue*(1)*
(Principal Only)

Bond Issue	Amount
Property Tax Supported:	
2016 General Obligation Bonds	$24,640,000
2018 General Obligation Bonds	7,880,000
2019 General Obligation Bonds	5,160,000
2020 General Obligation Bonds	8,705,000
The Bonds(2)	18,755,000
Total(2)	$65,140,000

Notes: (1) Source: the Village.
(2) Subject to change.

**Subject to change.*

The remainder of this page was left blank intentionally.

Village General Obligation Bonded Debt*(1)*
(Principal Only)

Calendar Year	Series 2016 (12-1)	Series 2018 (12-1)	Series 2019 (12-1)	Series 2020 (12-1)	The Bonds(2) (12-1)	Total Principal All G.O. Bonds(2)	Cumulative Principal Retired(2) Amount	Percent
2024	$ 1,605,000	$ 390,000	$2,265,000	$1,175,000	$ 0	$ 5,435,000	$ 5,435,000	8.34%
2025	1,580,000	410,000	1,650,000	695,000	310,000	4,645,000	10,080,000	15.47%
2026	1,670,000	435,000	1,245,000	670,000	965,000	4,985,000	15,065,000	23.13%
2027	1,710,000	455,000	0	1,815,000	1,215,000	5,195,000	20,260,000	31.10%
2028	1,760,000	470,000	0	1,890,000	1,275,000	5,395,000	25,655,000	39.38%
2029	1,810,000	485,000	0	1,960,000	1,345,000	5,600,000	31,255,000	47.98%
2030	1,865,000	505,000	0	500,000	950,000	3,820,000	35,075,000	53.85%
2031	1,920,000	520,000	0	0	1,520,000	3,960,000	39,035,000	59.92%
2032	1,980,000	540,000	0	0	1,595,000	4,115,000	43,150,000	66.24%
2033	2,060,000	560,000	0	0	1,175,000	3,795,000	46,945,000	72.07%
2034	2,140,000	580,000	0	0	1,235,000	3,955,000	50,900,000	78.14%
2035	2,225,000	600,000	0	0	795,000	3,620,000	54,520,000	83.70%
2036	2,315,000	620,000	0	0	835,000	3,770,000	58,290,000	89.48%
2037	0	645,000	0	0	1,775,000	2,420,000	60,710,000	93.20%
2038	0	665,000	0	0	1,845,000	2,510,000	63,220,000	97.05%
2039	0	0	0	0	1,920,000	1,920,000	65,140,000	100.00%
Total	$24,640,000	$7,880,000	$5,160,000	$8,705,000	$18,755,000	$65,140,000		

Notes: (1) Source: the Village.
(2) Subject to change.

The remainder of this page was left blank intentionally.

Overlapping Bonded Debt*(1)*

(As of July 15, 2024)

	Outstanding Debt(2)	Applicable to Village Percent(3)	Applicable to Village Amount
Schools:			
School District Number 15	$ 36,700,000	4.67%	$ 1,713,890
School District Number 21	77,575,000	23.57%	18,284,428
School District Number 23	10,170,000	36.64%	3,726,288
School District Number 25	86,535,000	99.27%	85,903,295
School District Number 57	4,400,000	4.67%	205,480
School District Number 59	17,400,000	12.92%	2,248,080
High School District Number 214	19,405,000	33.66%	6,531,723
Community College District Number 512	222,130,000	17.54%	38,961,602
Total Schools			$157,574,785
Others:			
Cook County	$2,093,131,750	2.03%	$ 42,490,575
Cook County Forest Preserve District	90,940,000	2.03%	1,846,082
Metropolitan Water Reclamation District of Greater Chicago	2,503,179,075	2.12%	53,067,396
Arlington Heights Park District	6,355,000	98.75%	6,275,563
Buffalo Grove Park District	9,974,000	3.82%	381,007
Mt. Prospect Park District	22,021,170	3.01%	662,837
Rolling Meadows Park District	1,326,000	0.29%	3,845
Palatine Park District	14,310,000	1.14%	163,134
Prospect Heights Park District	5,714,640	5.33%	304,590
Salt Creek Rural Park District	6,585,000	51.63%	3,399,836
Total Others			$108,594,865
Total Schools and Others Overlapping Bonded Debt			$266,169,650

Notes: (1) Source: Cook County Clerk and the MSRB's Electronic Municipal Market Access website ("EMMA").
(2) Includes original principal amounts of capital appreciation bonds.
(3) Percentages are based on 2023 Equalized Assessed Valuations, the most current available for this purpose.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio to Equalized Assessed	Ratio to Estimated Actual	Per Capita (2020 Census 77,676)
Assessed Valuation of Taxable Property, 2023(2)	$ 3,846,327,521	100.00%	33.33%	$ 49,517.58
Estimated Actual Value, 2023	$11,538,982,563	300.00%	100.00%	$148,552.74
Village Direct Bonded Debt(3)	$ 65,140,000	1.69%	0.56%	$ 838.61
Overlapping Bonded Debt:(4)				
Schools	$ 157,574,785	4.10%	1.37%	$ 2,028.62
All Others	108,594,865	2.82%	0.94%	1,398.05
Total Overlapping Bonded Debt(3)	$ 266,169,650	6.92%	2.31%	$ 3,426.67
Total Net Direct & Overlapping Bonded Debt (3)	$ 331,309,650	8.61%	2.87%	$ 4,265.28

Notes: (1) Source: Cook County Clerk and the Village.
(2) Does not include TIF EAV.
(3) Includes the Bonds and is subject to change.
(4) Overlapping bonded debt as of July 15, 2024.

LEGAL DEBT MARGIN

As a home rule municipality under the Illinois Constitution, the Village has no legal debt limitations or property tax limits.

PROPERTY ASSESSMENT AND TAX INFORMATION

The Village's 2022 EAV, the most recent for which detailed information is available, is comprised of 74.10% residential, 21.00% commercial, 4.85% industrial, and 0.05% railroad and farm valuations.

Equalized Assessed Valuation*(1)*

	Levy Years				
Property Class	2019(2)	2020	2021	2022(2)	2023
Residential	$2,418,574,182	$2,409,134,826	$2,218,613,995	$2,760,052,434	
Farm	31,991	35,364	32,943	44,332	Detail
Commercial	794,052,203	805,015,324	741,225,232	782,262,140	Not
Industrial	152,530,437	172,043,750	160,549,092	180,630,018	Available
Railroad	1,510,759	1,574,501	1,574,501	1,877,409	
Total	$3,366,699,572	$3,387,803,765	$3,121,995,763	$3,724,866,333	$3,846,327,521
Percent change +(-)	15.34%(3)	0.63%	(7.85%)	19.31%	3.26%

Notes: (1) Source: Cook County Clerk.
(2) Triennial assessment year.
(3) Percentage based on 2018 EAV of $2,918,962,263.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE VILLAGE*(1)*

Boundaries of a taxing body, such as the Village, the EAV of the portion of real property designated as a TIF district frozen at the level of the tax year in which it was designated as such (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the Village until the TIF district expires. The current TIF districts are described below. The TIF incremental EAV in the Village is $40,446,622. The Village is not currently aware of any new TIF districts planned in the in the immediate future.

Name of TIF	Year Established	2023 EAV	Frozen Value	TIF Increment
Golf/ Arlington Heights Road	2002	$11,529,355	$ 5,971,996	$ 5,557,359
Palatine/Rand	2005	46,013,442	30,180,546	15,832,896
Hickory/Kensington	2014	20,371,073	8,634,983	11,736,090
South Arlington Heights Road	2020	32,011,847	24,691,570	7,320,277
Total				$ 40,446,622
2023 Village EAV				3,846,327,521
Total EAV				$3,886,774,143

Note: (1) Source: Cook County Clerk.

The remainder of this page was left blank intentionally.

Representative tax rates for property located in the Village are as follows:

Representative Tax Rates*(1)*
(Per $100 EAV)

	Levy Years				
	2019(2)	2020	2021	2022(2)	2023
Village Rates:					
Bonds and Interest	$0.201	$0.194	$ 0.210	$0.178	$0.172
IMRF	0.055	0.055	0.056	0.049	0.049
Police Pension	0.126	0.121	0.133	0.107	0.111
Fire Pension	0.154	0.147	0.161	0.144	0.156
Fire Protection	0.181	0.210	0.220	0.163	0.163
Police Protection	0.181	0.210	0.220	0.163	0.163
Social Security	0.044	0.045	0.050	0.044	0.044
Capital Improvements	0.165	0.131	0.170	0.151	0.151
Total Village Rate	$1.108	$1.112	$ 1.219	$0.998	$1.009
Arlington Heights Library	0.432	0.434	0.475	0.407	0.394
Cook County	0.454	0.453	0.446	0.431	0.386
Cook County Forest Preserve District	0.059	0.058	0.058	0.081	0.075
Consolidated Elections	0.030	0.000	0.019	0.000	0.032
Wheeling Township(3)	0.060	0.058	0.064	0.055	0.056
Northwest Mosquito Abatement Dist.	0.010	0.010	0.011	0.009	0.010
Metropolitan Water Reclamation Dist.	0.389	0.378	0.382	0.374	0.345
Arlington Heights Park District	0.457	0.469	0.521	0.464	0.481
School District Number 25	3.246	3.334	3.709	3.437	3.430
Township High School District Number 214	2.356	2.382	2.664	2.352	2.445
Community College District No. 512	0.403	0.409	0.457	0.410	0.413
Total(4)	$9.004	$9.097	$10.025	$9.018	$9.076

Notes: (1) Source: Cook County Clerk.
(2) Triennial assessment year.
(3) Includes Road and Bridge and General Assistance.
(4) Representative tax rate is for Tax Code No. 38023 which represents the largest portion of the Village's 2023 EAV; the latest data available.

Tax Extensions and Collections*(1)*
(Excludes Library Fund Levy)

Levy Year	Coll. Year	Taxes Extended	Taxes Collected Amount	Taxes Collected Percent
2018	2019	$36,923,947	$36,039,985	97.61%
2019	2020	37,535,586	37,163,947	99.01%
2020	2021	37,908,532	37,533,200	99.01%
2021	2022	38,295,160	37,916,000	99.01%
2022	2023	36,807,430	36,766,346	99.89%
2023	2024	38,803,452	------- In Collection -------	

Note: (1) Source: the Village.

Principal Taxpayers*(1)*

Taxpayer Name	Business/Service	2023 EAV(2)
Arlington Park Racetrack	Racetrack	$ 63,227,469
Luther Village	Housing	44,596,174
Bob Rohrman	Automobile Dealerships	33,898,096
United Airlines Inc.	Corporate Headquarters; Airline	30,835,077
Town & Country Chicago	Real Property	22,946,116
JRK Property Holdings	Real Property	22,748,187
Stonebridge Village	Apartment Complex	22,202,779
New Plan Excel Realty Trust, Inc.	Real Property	17,531,873
AmCap Northpoint LLC	Retail	17,043,105
TLC Management Company	Real Property	15,698,762
Total		$290,727,638
Ten Largest as a Percent of the Village's 2023 EAV ($3,846,327,521)		7.56%

Notes: (1) Source: Cook County Clerk.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2023 EAV is the most current available for this purpose.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and interest on the Bonds will be levied on all taxable real property within the Village. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the Village, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The Village is located in the North Tri and was last reassessed for the 2022 tax levy year. The Village will next be reassessed for the 2025 levy year.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of Cook County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the "Circuit Court") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for the County for the last 10 tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $10,000 for tax year 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of $75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2017, the maximum exemption is $8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of $65,000 beginning in assessment year 2017. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year. Beginning in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or $2,000.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to $100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is $2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is $5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

The Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year, and the year following the assessment year, in which the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a one-time, two-year homestead exemption of $5,000.

Finally, the Homestead Exemption for Persons with Disabilities provides an annual homestead exemption in the amount of $2,000 for property that is owned and occupied by certain disabled persons who meet State-mandated guidelines.

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the Village. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Extensions

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the City. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has historically been the first business day in March. Pursuant to Public Act 102-1112, the first installment penalty date for levy year 2022 was changed from March 1, 2023 to April 1, 2023. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019	August 3, 2020
2020	August 2, 2021
2021	December 30, 2022
2022	December 1, 2023
2023	August 1, 2024

As a result of ongoing efforts to modernize technology within various County property tax agencies, personnel shortages and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, for the 2021 tax year (for amounts payable in calendar year 2022), the distribution of amounts related to second installment County property tax bills for calendar year 2022 were delayed. The Village did not experience any cash flow issues due to such delay.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The Village is a Home Rule unit of government and is not subject to the Limitation Law.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The Village covenanted in the Bond Ordinance that it will not take any action or fail to take any action which would adversely affect the ability of the Village to levy and collect the taxes levied by the Village for payment of principal of and interest on the Bonds. The Village also covenanted that it and its officers will comply with all present and future laws concerning the levy, extension and collection of such taxes levied by the Village, collected and deposited as provided in the Bond Ordinance.

FINANCIAL INFORMATION

Financial Overview

The Village's General Fund is the largest unrestricted fund for general operating purposes.

The Village has never instituted a real estate transfer tax and must hold a referendum if it wishes to institute one in the future.

Basis of Accounting

The Village's financial statements are completed on a modified accrual basis consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

Investment Policy

The standard of prudence to be used by investment officials of the Village shall be the "prudent person" standard stated as follows:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

The objective of the investment of Village funds is to identify and invest cash not immediately needed to achieve the highest return on funds available for investment, subject to safeguarding of principal, maintenance of necessary liquidity, maintenance of public confidence, and compliance with all Village, State and Federal regulations.

Investments in the respective types of funds shall be only in securities and investment instruments allowed by the State of Illinois for local government non-pension and pension funds.

Deposits and investments in the form of interest or non-interest bearing accounts, certificates of deposit, or repurchase agreements will be made only in those institutions which qualify as depositories approved by the Board of Trustees of the Village.

Deposits and investments in any one institution that are not collateralized or insured by the agency of the Federal Government shall not exceed seventy-five (75%) of the capital and surplus of such institution.

The maturity dates of investments in any fund portfolio are not to be longer than that which will provide for the reasonably anticipated cash needs of that fund.

Collateral for investments may include only full faith and credit securities of the U.S. Government and its agencies, full faith and credit obligations of the State of Illinois and its political subdivisions. Such obligations must have a rating of "A" or better.

Collateral pledged must be equal at market to 110% of the par value of the investments. Federal Deposit Insurance Corporation (FDIC) and Federal Saving & Loan Insurance Corporation (FSLIC) may be used to collateralize investments to the extent that such insurance actually covers the investment made.

Pledged collateral must be held by the Federal Reserve Bank of Boston or a third-party bank authorized by the Village.

No Consent or Updated Information Requested of the Auditor

The tables contained in this **"FINANCIAL INFORMATION"** section (the "Excerpted Financial Information") are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended December 31, 2023 (the "2023 Audit"), which was approved by formal action of the Village Board and attached to this Final Official Statement as **APPENDIX A**. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information or the 2023 Audit; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information or the 2023 Audit in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information and 2023 Audit has not been updated since the date of the 2023 Audit. The inclusion of the Excerpted Financial Information and 2023 Audit in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2023 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2023 Audit should be directed to the Village.

Summary Financial Statements

The Village's financial statements are audited annually by certified public accountants. The Village has received the Governmental Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its published financial reports for the fiscal year ended December 31, 2022. This was the thirty-fourth consecutive year that the Village has received this award. The following reports are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the Village's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2023.

Statement of Net Position
Governmental Activities
Primary Government

	Audited as of December 31				
	2019	2020	2021	2022	2023
ASSETS:					
Cash and Investments	$100,332,503	$108,851,793	$114,164,605	$128,880,258	$129,701,682
Receivables, Net;					
Property Taxes	39,032,347	39,501,600	39,975,900	48,105,808	41,499,657
Other Taxes	7,280,427	7,502,689	8,094,354	8,249,951	8,285,919
Accrued Interest	487,653	0	4,264	60,684	2,677
CDBG Rehabilitation Loans	1,990,993	1,978,724	1,868,342	1,855,119	1,850,701
Grants	622,423	505,588	287,522	270,327	295,881
Leases	0	0	0	2,792,753	2,507,828
Other	2,177,658	2,241,951	2,282,507	2,489,887	2,606,172
Prepaid Expenses	577,376	233,510	197,514	898,825	1,125,687
Internal Balances	0	0	0	(4,200,000)	0
Inventory	222,752	274,104	339,003	374,482	386,687
Net Pension Asset - IMRF	0	0	0	11,728,358	0
Interfund Items	500,000	0	0	0	0
Due From Fiduciary Funds	1,556	0	0	0	0
Capital Assets Not Being Depreciated	100,138,046	96,818,160	97,334,088	98,348,074	98,614,270
Capital Assets Being Depreciated, Net of Depreciation	111,337,800	110,620,224	113,183,004	113,525,165	117,287,632
Total Assets	$364,701,534	$368,528,343	$377,731,103	$413,379,691	$404,164,793
DEFERRED OUTFLOWS OF RESOURCES:					
Unamortized Loss on Refunding	$ 162,464	$ 108,309	$ 54,154	$ 0	$ 0
Deferred Items - IMRF	2,521,419	4,524,209	4,066,419	2,684,428	11,864,092
Deferred Items - Police Pension	2,833,397	3,052,328	11,740,573	24,751,712	14,193,799
Deferred Items - OPEB	5,808,935	6,763,574	5,952,410	4,670,555	4,039,861
Deferred Items - Firefighters Pension	55,114	90,776	7,227,501	25,128,174	13,440,702
Total Deferred Outflows of Resources	$ 11,381,329	$ 14,539,196	$ 29,041,057	$ 57,234,869	$ 43,538,454
Total Assets and Deferred Outflows of Resources	$376,082,863	$383,067,539	$406,772,160	$470,614,560	$447,703,247
LIABILITIES:					
Accounts Payable	$ 7,625,310	$ 3,693,241	$ 5,141,850	$ 7,061,163	$ 4,762,187
Accrued Payroll	1,277,125	1,887,035	1,602,337	2,087,321	2,389,795
Payroll Taxes Payable	1,929,555	1,839,810	2,372,544	2,540,597	1,952,556
Unearned Revenue	2,315,857	321,889	903,172	3,024,093	2,027,847
Due to Fiduciary Funds	2,722,596	0	0	0	0
Due to Pension Funds	0	0	0	5,946,561	123,591
Claims Payable	1,817,457	1,762,645	1,642,548	1,477,178	1,651,834
Accrued Interest Payable	133,490	209,812	178,758	164,238	145,979
Noncurrent Liabilities:					
Due Within One Year	7,134,129	6,596,864	6,730,184	6,740,300	8,918,050
Due in More than One Year	152,329,747	144,308,479	127,798,257	186,121,128	176,423,210
Total Liabilities	$177,285,266	$160,619,775	$146,369,650	$215,162,579	$198,395,049
DEFERRED INFLOWS OF RESOURCES:					
Property Taxes	$ 39,032,347	$ 39,501,600	$ 39,975,900	$ 39,138,600	$ 40,989,800
Deferred Items - IMRF	5,069,236	5,069,236	9,756,443	15,885,538	219,581
Deferred Items - Police Pension	12,040,425	15,284,262	22,651,268	1,466,216	1,121,263
Deferred Items - Firefighters Pension	7,981,829	10,940,677	11,824,904	1,075,913	318,961
Deferred Items - OPEB	784,028	3,637,401	3,158,607	4,917,808	4,162,150
Grants	0	0	0	0	0
Leases	0	0	0	2,893,881	2,684,871
Total Deferred Inflows of Resources	$ 64,907,865	$ 74,433,176	$ 87,367,122	$ 65,377,956	$ 49,496,626
Total Liabilities and Deferred Inflows of Resources	$242,193,131	$235,052,951	$233,736,772	$280,540,535	$247,891,675
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	$148,519,869	$154,273,910	$161,981,905	$167,868,942	$174,654,515
Restricted	35,183,379	34,208,521	42,337,453	30,845,551	32,603,820
Unrestricted	(49,813,516)	(40,467,843)	(31,283,970)	(8,640,468)	(7,446,763)
Total Net Position	$133,889,732	$148,014,588	$173,035,388	$190,074,025	$199,811,572

Statement of Activities
Net (Expenses) Revenues and Changes in Net Position

Functions/Programs
Primary Government

	Audited as of December 31				
	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES:					
Governmental Activities(1):					
General Government	$ 1,221,590	$ 1,688,536	$ 4,362,832	$ 1,665,908	$ 689,983
Public Safety	(45,665,710)	(38,354,818)	(36,820,555)	(54,966,400)	(55,127,104)
Highways and Streets	(19,159,280)	(17,649,789)	(17,255,357)	(17,354,585)	(23,981,036)
Community Development	(2,814,775)	(2,881,060)	(2,432,280)	(2,267,792)	(3,599,867)
Health and Welfare	2,382,226)	(2,227,689)	(2,157,881)	(2,977,379)	(2,514,417)
Interest	(2,366,030)	(1,887,498)	(1,870,744)	(1,628,720)	(1,419,218)
Total Governmental Activities	$ (71,166,431)	$ (61,312,318)	$ (56,173,985)	$ (77,528,968)	$ (85,951,659)
GENERAL REVENUES:					
Taxes:					
Property	$ 37,873,650	$ 39,097,436	$ 39,175,623	$ 41,074,218	$ 40,222,393
Income	7,993,678	8,161,144	9,939,827	12,657,093	12,406,362
State Sales and Use	15,402,797	15,771,827	18,124,652	19,144,639	18,467,032
Home Rule Sales	7,201,491	6,206,316	8,757,129	9,609,418	9,733,165
Replacement	523,154	470,094	816,967	1,652,822	1,394,467
Telecommunications	2,356,604	1,868,788	1,684,735	1,651,598	1,683,886
Utility	5,220,745	4,892,355	4,943,577	4,921,899	4,579,657
Hotel/Motel	1,109,349	408,888	641,947	937,369	917,624
Food and Beverage	2,079,454	1,577,787	2,139,900	2,301,416	2,497,517
Foreign Fire Insurance	134,895	151,399	157,551	180,396	197,188
Other	61,304	20,109	50,558	40,442	44,861
ARPA Grant	0	0	0	1,463,626	877,691
Investment Income	1,720,017	410,745	75,345	1,341,626	4,678,577
Miscellaneous	1,638,848	4,116,654	1,730,316	1,291,043	3,238,786
Transfers In (Out)	434,197	(8,545,232)	(6,650,000)	(3,700,000)	(5,250,000)
Total	$ 83,750,183	$ 74,608,310	$ 81,588,127	$ 94,567,605	$ 95,689,206
Change in Net Position	$ 12,583,752	$ 13,295,992	$ 25,414,142	$ 17,038,637	$ 9,737,547
Net Position, May 1	$121,305,980	$134,718,596(2)	$147,621,246(2)	$173,035,388	$190,074,025
Net Position, April 30	$133,889,732	$148,014,588	$173,035,388	$190,074,025	$199,811,572

Notes: (1) Expenses less program revenues of Charges for Services, Operating Grants and Capital Grants.
(2) As restated.

The remainder of this page was left blank intentionally.

General Fund
Balance Sheet

	Audited as of December 31				
	2019	2020	2021	2022	2023
ASSETS:					
Cash and Investments	$31,469,850	$27,649,781	$28,142,720	$38,187,776	$30,168,424
Receivables:					
Property Taxes	24,973,597	26,634,600	26,167,300	30,315,549	26,436,343
Other Taxes	6,502,539	6,842,527	7,249,463	7,352,746	7,370,192
Accrued Interest	162,621	0	1,363	18,351	2,677
Leases	0	0	0	1,413,188	2,507,828
Other	1,098,356	1,456,886	1,550,030	1,747,065	1,626,664
Prepaid Items	218,643	130,818	181,055	88,783	220,881
Due from Other Funds	201,558	200,002	200,001	200,001	200,001
Inventory	7,057	47,871	70,602	81,518	80,202
Total Assets	$64,694,221	$62,962,485	$63,562,534	$79,404,977	$68,613,212
LIABILITIES:					
Accounts Payable	$2,469,455	$2,055,258	$2,791,516	$3,306,881	$1,248,213
Due to Other Funds	3,232,411	0	0	12,746,561	123,590
Accrued Payroll	1,210,474	1,837,863	1,548,029	2,032,265	2,334,933
Deposits Payable	1,929,555	1,839,810	2,372,544	2,540,597	1,952,556
Unearned Revenue	0	7,980	24,880	40,007	18,728
Total Liabilities	$ 8,841,895	$ 5,740,911	$ 6,736,969	$20,666,311	$5,678,020
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue-Property Taxes	$24,973,597	$26,634,600	$26,167,300	$24,830,000	$26,095,000
Leases	0	0	0	1,389,773	2,684,871
Total Deferred Inflows of Resources	$24,973,597	$26,634,600	$26,167,300	$26,219,773	$28,779,871
Total Liabilities and Deferred Inflows of Resources	$33,815,492	$32,375,511	$32,904,269	$46,886,084	$34,457,891
FUND BALANCES:					
Nonspendable	$ 285,700	$ 178,689	$ 251,657	$ 170,301	$ 301,083
Assigned	08,622	1,520,029	844,796	819,136	1,004,577
Unassigned	29,784,407	28,888,256	29,561,812	31,529,456	32,849,661
Total Fund Balances	$30,878,729	$30,586,974	$30,658,265	$32,518,893	$34,155,321
Total Liabilities, Deferred Inflows and Fund Balances	$64,694,221	$62,962,485	$63,562,534	$79,404,977	$68,613,212

The remainder of this page was left blank intentionally.

General Fund
Revenues and Expenditures

	Audited as of December 31				
	2019	2020	2021	2022	2023
REVENUES:					
Taxes:					
Property Tax	$23,999,484	$24,563,166	$25,944,200	$26,031,815	$24,794,901
Sales Tax	15,925,951	16,241,921	18,941,619	20,797,461	19,861,499
State Income Tax	7,993,678	8,161,144	9,939,827	12,657,093	12,406,362
Other taxes	16,228,575	13,422,664	16,028,563	17,059,788	17,023,420
Licenses and Permits	4,834,759	3,372,026	4,076,369	4,252,704	2,684,480
Grants	313,644	1,198,775	670,311	719,929	899,797
Charges for Services	34,376	20,821	1,569	32,940	105,958
Fines and Fees	5,886,632	5,184,733	6,446,887	7,274,305	6,696,407
Investment income	710,851	159,744	24,705	478,594	1,815,694
Miscellaneous	633,381	505,227	499,091	702,986	2,548,557
Total Revenues	$76,561,331	$72,830,221	$82,573,141	$90,007,615	$88,837,075
EXPENDITURES:					
General Government	$ 4,946,789	$ 4,914,604	$ 5,215,495	$ 5,020,397	$ 5,246,567
Public Safety	51,411,155	49,619,412	50,773,638	56,116,876	54,493,183
Highways and Streets	12,754,757	12,246,299	12,484,825	13,473,529	14,541,173
Community Development	4,247,624	4,414,576	4,345,909	4,579,223	4,801,004
Health and Welfare	2,228,965	2,277,085	2,331,983	2,356,962	2,443,924
Debt service	0	0	0	0	28,250
Total Expenditures	$75,589,290	$73,471,976	$75,151,850	$81,546,987	$81,554,101
Excess (Deificiency) of Revenues Over Expenditures	$ 972,041	$ (641,755)	$ 7,421,291	$ 8,460,628	$ 7,282,974
OTHER FINANCING SOURCES (USES):					
Operating Transfers, Net	$ (798,552)	$ 350,000	$ (7,350,000)	$ (6,600,000)	$ (5,646,546)
Total Other Financing Sources (uses)	$ (798,552)	$ 350,000	$ (7,350,000)	$ (6,600,000)	$ (5,646,546)
Net Change in Fund Balance	$ 173,489	$ (291,755)	$ 71,291	$ 1,860,628	$ 1,636,428
Beginning Fund Balance	30,705,240	30,878,729	30,586,974	30,658,265	32,518,893
Ending Fund Balance	$30,878,729	$30,586,974	$30,658,265	$32,518,893	$34,155,321

The remainder of this page was left blank intentionally.

General Fund Budget and Interim Financial Information*(1)*

	Budgeted Fiscal Year Ending December 31, 2024	Interim Seven Months Ending July 31, 2024
REVENUES:		
Taxes	$76,856,000	$44,391,659
Intergovernmental	628,000	707,654
Licenses and Permits	2,679,400	1,728,908
Fees	6,225,000	3,164,167
Fines	666,600	363,740
Charges for Service	1,275,900	670,073
Investment Income	385,000	742,908
Sales/Reimbursements Rents	209,000	170,700
Other	409,800	96,715
Transfers In	200,000	100,000
Total Revenues	$89,534,700	$52,136,526
EXPENDITURES:		
Personal Services	$70,768,300	$38,053,635
Contractual Services	13,523,400	7,127,085
Commodities	2,801,700	1,528,130
Other Charges	917,900	365,555
Contingency	400,000	0
Transfer Out	0	0
Total Expenditures	$88,411,300	$47,074,405
Revenues over (Under) Expenditures	$ 1,123,400	$ 5,062,122

Note: (1) Source: the Village.

EMPLOYEE RETIREMENT BENEFIT OBLIGATIONS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters'' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. As of the most recent actuarial valuation date, the pension plans each had an unfunded liability.

See **APPENDIX D** herein for a discussion of the Village's employee retirement benefit obligations.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Village shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal corporate trust office of the Bond Registrar in Kansas City, Missouri. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond beginning at the close of business on the fifteenth day of the month next preceding any interest payment date on such Bond (known as the record date) and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Bonds is not exempt from present State income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The Village will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. No person, other than the Village, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under **"THE UNDERTAKING."**

A failure by the Village to comply with the Undertaking will not constitute a default under the Bond Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **"THE UNDERTAKING - Consequences of Failure of the Village to Provide Information."** The Village must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any, (as described below) to the MSRB's Electronic Municipal Market Access ("EMMA") system in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the Village's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the Village. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Annual Financial Information" means:

1. The table under the heading of "**Retailers' Occupation, Service Occupation and Use Tax"** within this Official Statement;
2. All of the tables under the heading "**PROPERTY ASSESSMENT AND TAX INFORMATION"** within this Official Statement;
3. All of the tables under the heading **"DEBT INFORMATION"** (only as it relates to direct debt) within this Official Statement; and
4. All of the tables under the heading **"FINANCIAL INFORMATION" (Excluding Budget and Interim Financial Information)** within this Official Statement.

"Audited Financial Statements" means financial statements of the Village as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The Village covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The "Reportable Events" are:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to the rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Village*;
13. The consummation of a merger, consolidation, or acquisition involving the Village or the sale of all or substantially all of the assets of the Village, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Village, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Village, any of which affect Bondholders, if material**; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Village, any of which reflect financial difficulties.**

* *This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Village in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Village, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Village.*

***The term "financial obligation" means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.*

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Bond Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Future Changes to the Rule

Notwithstanding anything in the Undertaking to the contrary, in the event the Commission, the MSRB or other regulatory authority approves or requires changes to the requirements of the Rule, the Village is permitted, but is not required, to unilaterally modify the covenants in of the Undertaking, without complying with the requirements described in **"- Termination of Undertaking"** above, in order to comply with, or conform to, such changes. In the event of any such modification of the Undertaking, the Village will file a copy of the Undertaking, as revised, on EMMA in a timely manner.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its EMMA system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Agent, with or without appointing a successor Dissemination Agent.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the Village, threatened against the Village that is expected to materially impact the financial condition of the Village.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of the interest on the Bonds and the "bank-qualified" status of the Bonds, if any. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds have been rated "Aa1" by Moody's. The Village has supplied certain information and material concerning the Bonds and the Village to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. Except as may be required by the Undertaking described in **"CONTINUING DISCLOSURE"** herein, neither the Village nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody's Investors Service, Inc., 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. The Village will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Bonds were offered for sale by the Village at a public, competitive sale on September 16, 2024. The best bid submitted at the sale was submitted by _________ (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of $_________ (reflecting the par amount of $___________, plus a net reoffering premium of $___________, and less an Underwriter's discount of $____________). The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the prices or yields set forth on the cover of the Final Official Statement.

MUNICIPAL ADVISOR

The Village has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the Village's continuing disclosure undertaking.

CERTIFICATION

I have examined this Official Statement dated September 3, 2024 for the $18,755,000* General Obligation Bonds, Series 2024, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of my knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ ___________________________________

Village President
VILLAGE OF ARLINGTON HEIGHTS
Cook County, Illinois

**Subject to change.*

APPENDIX A

VILLAGE OF ARLINGTON HEIGHTS
COOK COUNTY, ILLINOIS

FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2023

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

33 South Arlington Heights Road
Arlington Heights, Illinois 60005

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2023

Prepared by the Finance Department

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

Page(s)

FINANCIAL SECTION (Continued)

Page(s)

FINANCIAL SECTION (Continued)

Page(s)

FINANCIAL SECTION (Continued)

Page(s)

FINANCIAL SECTION (Continued)

STATISTICAL SECTION

Page(s)

STATISTICAL SECTION (Continued)

INTRODUCTORY SECTION

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL OFFICERS

DECEMBER 31, 2023

VILLAGE BOARD

Thomas W. Hayes, Village President

Richard Baldino	Robin La Bedz
James Bertucci	Tom Schwingbeck, Jr.
Wendy Dunnington	Scott Shirley
Nicolle Grasse	Jim Tinaglia

ADMINISTRATION

Village Manager, Randy Recklaus

Village Attorney .... Hart Passman

Village Clerk .... Rebecca Hume

Assistant to the Village Manager .... Diana Mikula

Human Resources Manager .... Kelly Livingston

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

Chief of Police .... Nicholas Pecora

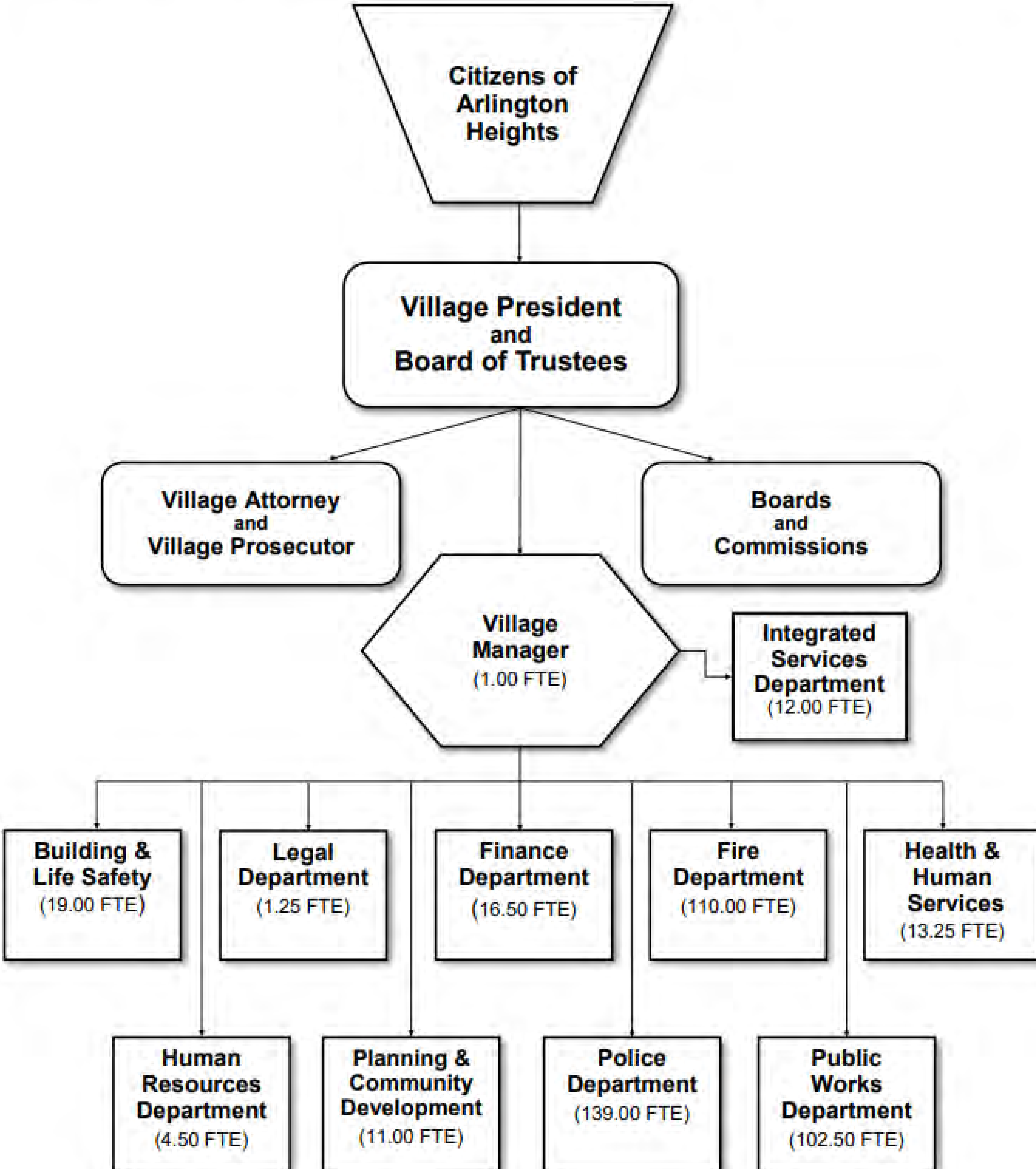
Fire Chief .... Lance Harris

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

Director of Building Services .... Jorge Torres

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

Public Works Director .... Cris Papierniak


Citizens of Arlington Heights
Village President and Board of Trustees
Village Attorney and Village Prosecutor
Boards and Commissions
Village Manager (1.00 FTE)
Integrated Services Department (12.00 FTE)
Building & Life Safety (19.00 FTE)
Legal Department (1.25 FTE)
Finance Department (16.50 FTE)
Fire Department (110.00 FTE)
Health & Human Services (13.25 FTE)
Human Resources Department (4.50 FTE)
Planning & Community Development (11.00 FTE)
Police Department (139.00 FTE)
Public Works Department (102.50 FTE)

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Arlington Heights
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

Village of Arlington Heights

33 South Arlington Heights Road
Arlington Heights, Illinois 60005
847-368-5000
www.vah.com

June 17, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the Village of Arlington Heights (Village) for the year ended December 31, 2023, is hereby submitted as required by the Illinois Compiled Statutes. State law requires that the Village issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

The Village's financial statements have been audited by Sikich, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Arlington Heights for the year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the year ended December 31, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Arlington Heights

The Village of Arlington Heights is located 25 miles northwest of the City of Chicago in Cook County, Illinois. It was incorporated in 1887. The Village's 2020 Census places the population at 77,676 and the Village has an area of approximately 16.6 square miles. It is a home rule community as defined by the Illinois Constitution. Arlington Heights is a very livable community with excellent schools, an outstanding park system, dependable village services, a diverse housing stock and easy access to the major expressways and O'Hare International Airport. There are 23,074 owner-occupied units and 8,347 rental units with considerable high-rise and multi-family residential development in and around the Downtown area.

The Village has a well-established reputation as a preeminent community located in the northwestern corridor of the Chicago metropolitan area. There is now relatively little undeveloped land in the Village. The Village's economic base is somewhat diversified with income and housing indices well above State levels. While primarily considered a residential community, there is a significant commercial base and a large retail sector. The Equalized Assessed Value of the property in the Village is split 74% residential and 26% commercial and industrial. Due to its healthy local economy, the Village of Arlington Heights has maintained a credit rating of Aa1 from Moody's Investor Service.

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

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

Long-Term Financial Planning and Major Initiatives

Unassigned fund balance in the General Fund at year end was 40% of total General Fund operating expenditures. This is within the minimum fund balance level established in the Village's financial performance goals. A statement of the financial performance goals is incorporated in the Village's annual budget. This statement includes goals for revenues, expenditures, reserves, investment performance, capital improvements, debt, and financial reporting.

On a biennial basis the Village Board completes a strategic plan which is included in the annual budget and helps guide the development of this document. The Village's annual budget and financial planning process begins with the preparation of a biennial five-year capital improvement program and an annual separate three-year operating fund projection. These long-range planning documents project revenue and expense trends and allow the Village to anticipate structural budget concerns. The Village maintains dedicated revenue sources in its Capital Projects Fund to ensure that its capital infrastructure is maintained at a high level. An internal service fund, the Fleet Fund, is also funded through annual operating transfers from the effected departments based on a vehicle depreciation schedule. The Village's current financial condition has remained healthy as the key operating funds, the General Fund and the Water & Sewer Fund, have both retained comfortable reserves.

The Village's efforts to be fiscally conservative while monitoring the financial climate at the state and federal levels allows the Village to ensure its economic strength will be maintained. The Village's strength is also demonstrated by the new businesses that have opened in the Village. Arlington Downs is the site of a $320 million multi-use redevelopment. The site includes luxury apartments, plans for new restaurants, retail shops, and a new separate hotel building located within the planned unit development. Several phases of the Arlington Downs development have been completed and it is expected to be fully completed over the next few years. Northwest Gateway Center is planned along the retail corridor of Dundee Road. 511,600 square feet of industrial and office space will be positioned in two warehouse buildings. Arlington Gateway, is an 8-story apartment building with 300 units and 25,000 square feet of commercial space. Eastman Mylo Apartments, is a 6-story mixed-use building with 136 units and commercial space on the bottom. Holladay Self-storage is a 102,000 square foot self-storage facility for 725 storage units and a retail sales area. Redevelopment of the Southpoint Shopping Center totaling more than 125 square feet of new or reoccupied tenant space.

The Village maintains a very aggressive economic development program. The components include business retention, business attraction, business assistance and special programs. This results in increased property and sales tax revenue, higher employment rates and a stable economic base. Arlington Heights also enjoys a thriving Downtown area, which contains a mix of multi-story housing, office space, restaurants, retailers, specialty stores and business services. Tax Increment Financing (TIF) Districts were instrumental in creating this vital commercial area in the Downtown area.

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

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

Village staff, following specific directives of the Village Board and the Village Manager, were involved in a variety of projects throughout the year ended December 31, 2023; these projects reflect the Village's commitment to ensuring its citizens are able to live and work in a desirable environment. The most significant of these projects are discussed below:

- Over $10 million was spent on the ongoing street resurfacing and street reconstruction programs.
- $1.1 million was spent on storm water control improvements.
- $7.1 million was spent on water and sewer rehabilitation and replacement projects.
- In excess of $1.5 million was spent toward the replacement of Village vehicles.
- $1.3 million was spent on redevelopment in the TIF V area
- $1 million was spent of redevelopment in the Hickory Kensington TIF area
- $1.4 million for municipal parking lot improvements

Other Efforts

For the fourth consecutive year, the 2023 property tax levy reflects a 0% increase over the prior year extended levy, while still providing high quality services to the community.

The year ended with a significant surplus in the General Fund, and the Village Board subsequently approved transfer-out to the Lead Service Line Replacement Fund to provide financial assistance for future capital costs.

Through Tyler Technologies, the Village's new Enterprise Resource Planning (ERP) provider, the Village began a multi-year implementation project. This software will enhance the employee, resident and business experience. It will provide greater sharing of information between Village departments with less duplication and redundant data processing, allowing our staff to provide more efficient services to our residents and businesses. The Financial and Revenue Management modules were implemented in 2023.

During the next year, the Village will see major developments including the continuation of the Tyler Technologies, ERP system implementation, which includes the Human Capital Management, Utility Billing and Permitting and Licensing Modules.

A Water Meter Project will begin in 2024 will replace every residential meter as well as install a new software system to receive more accurate and reliable meter reads. 19,480 meters will be replaced.

The Lead Service Line Replacement project will commence. Federal and State mandates require the removal of all lead service lines by 2037.

Relevant Financial Policies and Practices

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

Risk management – The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of Illinois municipalities which have formed an association to pool its risk management needs. The Village offers to its employees four basic types of health insurance plans: a Blue Advantage HMO plan comprised of a smaller, more localized network, a self-insured PPO plan, a Core PPO and a high deductible PPO, which are all administered by a third party. All of the Village's health plan options are offered to retirees who pay their insurance premiums in full that are under 65. Medicare-eligible retirees, who pay their insurance premiums in full, are offered a separate fully-insured group retiree medical plan. The Village is protected from catastrophic losses in the self-insured plan through the purchase of a stop-loss insurance policy. One of the functions of the Village's risk management operation is to organize various health and safety programs to minimize insurance related losses.

Pension and other post-employment benefits – The Village's sworn police officers participate in the Police Pension Employees Retirement System (PPERS), which is a single employer, defined benefit plan governed by a five-member pension board. The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS), which is a single employer, defined benefit plan governed by a five-member pension board. The defined benefits and employee contribution levels of both pension funds are governed by Illinois State statutes. The Village is authorized to approve the actuarial assumptions used to determine employer contribution levels. The most recent actuarial valuation as of January 1, 2023 for the year ending December 31, 2023 reflects funding levels of 82% for the Police Pension Fund and 73% for the Firefighters' Pension Fund on an actuarial basis.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF. The actuarial valuation for the Village's portion of IMRF as of December 31, 2022 reflects a funding level of 89.3%. It should be noted that the IMRF's funding level is just for the Village's active IMRF participants as IMRF retirees' pensions are 100% funded. Additional information on the Village's pension arrangements can be found in Note #15 (Defined Benefit Pension Plans) in the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Annual Comprehensive Financial Report (ACFR) for period ended December 31, 2022. This was the thirty-fourth consecutive year that the Village received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

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

Respectfully submitted,

Thomas F. Kuehne
Finance Director/Treasurer

Mary E. Juarez
Assistant Finance Director

FINANCIAL SECTION

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

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Arlington Heights, Illinois as of December 31, 2023, and the respective changes in financial positions and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Northwest Water Commission (NWWC), which represent 19.14%, 20.00%, and 4.64% of the assets, net position, and revenues of the business-type activities, respectively. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village's investment in joint venture, is based on the report of the other auditor. The financial statements of the NWWC were not audited in accordance with *Government Auditing Standards.*

Change in Accounting Principle

The Village adopted the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2023 (see Note 16). The implementation of this guidance resulted in changes to the reporting of right-to-use intangible subscription assets, subscription liabilities, and the related notes to the financial statements. Our opinion was not modified with respect to this matter.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village as of and for the year ended December 31, 2022, and we expressed unmodified opinions on those basic financial statements. That audit was conducted for purposes of forming an opinion on the basic financial statements as a whole. The 2022 comparative information included on certain combining and individual financial statements and schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2024, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
June 17, 2024

SIKICH®

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

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

SIKICH.COM

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

To the Board of Trustees
Village of Arlington Heights, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Arlington Heights, Illinois (the Village) as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 17, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
June 17, 2024

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

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

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

Financial Highlights

- The Village's total net position increased by $19.4 million or 7.0% during the calendar year ending December 31, 2023. The governmental net position increased by $9.7 million and the business-type activities net position increased by $9.7 million.
- The Village's combined Governmental Funds ending fund balance increased by $4.7 million.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $32,849,661 or 40% of General Fund operating expenditures.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

The government-wide financial statements (see Pages 7-10) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see Pages 9-10) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The governmental activities reflect the Village's basic services, including police, fire, planning and community development, building, health and human services, public works and engineering, and administration. Property taxes, shared State sales, local utility and shared

State income, home rule sales and food and beverage taxes finance the majority of these services. The business-type activities reflect private sector type operations (Water & Sewer Fund and Solid Waste Disposal Fund), where the fee for service typically covers all or most of the cost of operations, including depreciation.

Fund Financial Statements

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

Governmental Funds

The Governmental Major Fund presentation (see Pages 11-12 and 14) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clean and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Village maintains 15 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Debt Service and Capital Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds

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

Proprietary Fund Financial Statements (see Pages 16-20) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water & Sewer Fund and Lead Service Line Replacement Fund are considered major funds of the Village and is presented in separate columns in the Proprietary Fund Financial Statements. The Solid Waste Disposal Fund and Arts, Entertainment and Events Fund are the Village's non-major enterprise funds. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Funds is presented elsewhere in the report.

Fiduciary Funds

The Fund Financial Statements also allow the government to address its Fiduciary Funds (Police Pension Fund and Firefighters' Pension Fund, see Pages 21-22). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Statements.

While the Business-type Activities column on the Proprietary Fund Financial Statements is the same as the Business-type column at the Government-Wide Financial Statement, the Governmental Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see Pages 13 and 15). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements). The reconciliation also includes the Internal Service Funds' activities given that the Internal Service Funds serve primarily the Governmental Funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 23-78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on Pages 79-91 of this report. The combining and individual fund statements for the governmental, enterprise internl service funds and fiduciary funds are presented on Pages 92-146 of this report, immediately following the required supplementary information.

GOVERNMENT-WIDE STATEMENTS

Statement of Net Position

The Village's combined net position increased by $19.4 million from 2022, increasing from $277.8 million to $297.2 million. The largest portion of the Village's net position ($209.9 million) reflects its investment in capital assets (e.g., land, infrastructures, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Village used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The following analysis will look at net position and net expenses of the governmental and business-type activities separately. The total net position for the governmental activities increased by $9.7 million from $190.1 million to $199.8 million. The business-type activities net position increased by $9.7 million from $87.7 million to $97.4 million. Table 1 reflects the condensed Statement of Net Position compared to 2022. Table 2 focuses on the changes in net position of the governmental and business-type activities.

Table 1: Statement of Net Position as of December 31, 2023 (In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets						
Current & Other Assets	$ 188.3	$ 201.5	$ 56.1	$ 50.6	$ 244.4	$ 252.1
Capital Assets	215.9	211.9	$ 45.7	$ 43.1	261.6	255.0
Total Assets	**404.2**	**413.4**	**101.8**	**93.7**	**506.0**	**507.1**
Deferred Outflows of Resources	**43.5**	**57.2**	**4.7**	**2.2**	**48.2**	**59.4**
Liabilities						
Current Liabilities	13.1	22.0	2.8	1.1	15.9	23.1
Long-Term Liabilities	185.3	193.0	6.1	2.3	191.4	195.3
Total Liabilities	**198.4**	**215.0**	**8.9**	**3.4**	**207.3**	**218.4**
Deferred Inflows of Resources	**49.5**	**65.4**	**0.1**	**4.7**	**49.6**	**70.1**
Net Position						
Net Investment in Capital Asset	174.7	167.9	45.5	43.1	209.9	199.4
Restricted	32.6	30.8	0.0	0.0	32.6	30.8
Unrestricted	(7.4)	(8.6)	51.9	44.6	54.7	47.6
Total Net Position	**$199.9**	**$ 190.1**	**$ 97.4**	**$ 87.8**	**$ 297.2**	**$ 277.8**

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

Normal Impacts on Net Position

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

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

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

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

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

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

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

Current Year Impacts on Net Position

The Village's $19.4 million increase of combined net position (which is the Village's bottom line) was the result of the governmental activities net position increasing by $9.70 million and the business-type activities net position increasing $9.7 million. The governmental activities total assets and deferred outflow of resources decreased by $22.90 million and the governmental activities total liabilities and deferred inflows of resources decreased by $32.5 million.

The governmental activities total assets decrease of $9.2 million is due to a $13.2 million decrease in current and other assets and a $4 million increase in capital assets. The governmental activities current assets decrease is from several factors. The first is primarily from the elimination of the Net pension asset–IMRF of $11.7 million, which was replaced by a Net pension liability due to IMRF's significantly lower investment returns, which caused a Net pension liability, instead of an asset. Secondly, the Property Tax receivable decreased $6.6 million due to more taxes being received by 2023 year-end from the 2nd installment bill due date not being as delayed as the prior year. These decreases were offset by the reversal of the contra asset Internal balance adjustment of $4.2 million, which was for the prior year's General Fund's surplus transfer to the Business-Type funds. The $4 million increase in capital assets was from the addition of Public Improvement Infrastructure netted against the capital asset depreciation, along with the addition of $2.6 million from the restatement of beginning balances for the Intangible Capital asset of software in connection with GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

The decrease in total liabilities of $16.6 million is attributable to the decrease of $8.9 million of current liabilities and $7.7 million decrease in the noncurrent liabilities over the prior year. The $8.9 million decrease in current liabilities was mainly from the payment to the Pension Funds for the Due to Pension Funds balance from the prior year, which decreased the balance by $5.8 million. In addition, a decrease of $2.3 in Accounts Payable due to the timing of year-end expenses. Additionally, a decrease of $1 million in the Unearned Revenue from the recognition of ARPA Grant revenue. These decreases were offset by an increase of $300,000 to Accrued Payroll.

The noncurrent liabilities decrease was primarily from the decrease in the Police and Fire net pension liabilities of $17.6 million. Police and Fire total pension liabilities increased in 2023, but the net pension liabilities decreased when the total liability was netted against the Pensions Net position, which increased due to the increase in the Fair Value of the Police and Fire pension's investments. Bonds Payable also decreased by $5.2 million. These decreases were offset by the increase in the Net pension liability-IMRF of $13.1 due to IMRF's significantly lower investment returns during the year and the increase in the OPEB liability of $1.6 million.

The Village's other post-employment benefits (OPEB) obligation increased by $1.5 million due to the decrease in the discount rate from 4.05% to 3.77% which increased the OPEB liability. Retirees and their dependents who are 65 or older and Medicare eligible, are no longer included in the Village's medical and prescription plan which thereby decreases the OPEB liability. As required by the Governmental Accounting Standards Board (GASB) Statement No. 75, the Village must now recognize the full liability associated with explicit and implicit post-employment benefits. The only explicit OPEB offered by the Village is 100% lifetime health insurance coverage for public safety officers disabled on the job as mandated by the State. The Village's implicit OPEB liability arises from implicit rate subsidies under which health care premiums are typically based on a blended premium for active employees and retirees under 65. Under the Village's current benefit package, retirees up to the age of 64 can participate in the Village's health care plan, but must pay 100% of the premium. However, as retiree costs are actuarially more significant than active employee's health care costs, the Village implicitly subsidizes the under 64 retiree rates. On a bi-annual basis, the Village must hire an actuary to calculate the value of the explicit OPEB cost and implicit subsidy.

The Deferred Outflows of Resources substantial decrease of $13.7 million is related mainly to the combined decrease of $22.9 in the Police and Fire pension items, which was offset by the IMRF items increase of $9.2 million. The pension items deferred outflows are determined by actuarial valuations, the balances are derived from the variances between the expected and actual non-investment experience, investment earnings, and assumption changes. These same factors decreased the deferred inflows of resources for the IMRF, Police and Fire pension, and OPEB items by $17.5 million. The Village reports the deferred inflows of resources related to the 2023 property tax levy, which was levied in December 2023, but will not be collected and distributed to the Village until calendar year 2024.

The total assets of the business-type activities increased by $8.1 million from $93.7 million to $101.8 million. This was mainly due in part to the Lead Service Line Replacement Fund receiving surplus transfers from the General Fund of $5.8 million. Inventory increased $2 million in the Water & Sewer Fund from the purchase of meters for the Village wide residental water meter change out program that will begin in 2024. Prepaid expenses increased $1 million. These increases were offset by the reversal of the $4.2 million Internal Balance transfer from the General Fund. In addition, the elimination of the Net pension asset–IMRF of $3.4 million, which was replaced by a Net pension liability due to IMRF's significantly lower investment returns, which caused a Net pension liability, instead of an asset. Investment in joint venture increased by $451,200. Capital Assets in the Water and Sewer Fund also increased $2.6 million, with the largest amount attributed to the increase of Underground Systems of $4.4 million which was offset by depreciation of $1.2 million.

Total liabilities increased $5.5 million mainly from an increase in Accounts Payable of $1.4 million in the Water and Sewer Fund and the addition of the Net pension liability-IMRF of $3.8 million. The Deferred Inflows of Resources decreased $4.6 million due to the IMRF items actuarial valuation.

Changes in Net Position

The Village's combined change in net position increased by $19.4 million from $277.8 million to $297.2 million in 2023. The Village's total revenue (net of transfers) decreased by $2.1 million. The Village's cost of all programs increased by $8.1 million primarily from the increase of expense in Highways and Streets and Water & Sewer. The following table shows the condensed revenues and expenses of the Village's activities:

Table 2: Changes in Net Position for the Year Ended December 31, 2023 (In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue						
Program Revenues						
Charges for Services	$ 12.3	$ 14.1	$ 24.9	$ 24.2	$ 37.2	$ 38.3
Operating Grants	5.2	4.4	0.8	0.0	6.0	4.4
Capital Grants	0.0	2.4	0.0	4.0	0.0	6.4
General Revenues						
Property Taxes & Replacement Tax	41.6	42.7	0.0	0.0	41.6	42.7
Other Taxes	50.5	51.4	1.0	1.0	51.5	52.4
Other Revenue	8.8	4.1	1.9	0.8	10.7	4.9
Total Revenues	**$ 118.4**	**$ 119.1**	**$ 28.6**	**$ 30.0**	**$ 147.0**	**$ 149.1**
Expenses						
Governmental Activities						
General Government	4.3	4.6	0.0	0.0	4.3	4.6
Public Safety	60.9	60.7	0.0	0.0	60.9	60.7
Highways & Streets	28.4	23.6	0.0	0.0	28.4	23.6
Community Development	5.8	4.9	0.0	0.0	5.8	4.9
Health & Welfare	2.6	3.0	0.0	0.0	2.6	3.0
Interest	1.4	1.6	0.0	0.0	1.4	1.6
Business Type						
Water & Sewer	0.0	0.0	20.5	18.5	20.5	18.5
Solid Waste Disposal	0.0	0.0	1.8	1.7	1.8	1.7
Arts, Ent. & Events	0.0	0.0	1.3	0.9	1.3	0.9
Lead Service Line Replacement	0.0	0.0	0.6	0.0	0.6	0.0
Total Expenses	**$ 103.4**	**$ 98.4**	**$ 24.2**	**$ 21.1**	**$ 127.6**	**$ 119.4**
Change in Net Position Before Transfers	$ 15.0	$ 20.7	$ 4.4	$ 8.9	$ 19.4	$ 29.7
Transfers	$ (5.3)	$ (3.7)	$ 5.3	$ 3.7	$ -	$ -
Change in Net Position	9.7	17.0	9.7	12.6	19.4	29.7
Beginning Net Position - As Restated	190.1	173.0	87.6	75.0	277.7	248.0
Ending Net Position	**$ 199.8**	**$ 190.1**	**$ 97.4**	**$ 87.6**	**$ 297.2**	**$ 277.7**

Normal Impacts on Revenues and Expenses

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

Revenues:

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

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

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

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

Expenses:

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

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

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

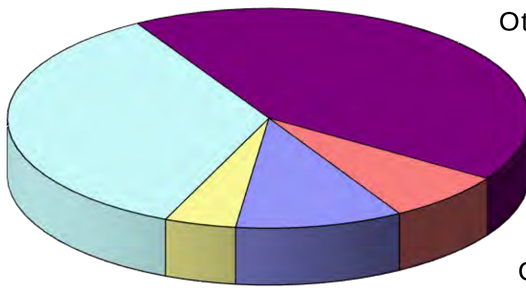
Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity-specific increases.

Current Year Impacts

Governmental Activities

Revenues:

12/31/23 Governmental Activities
Revenues by Source



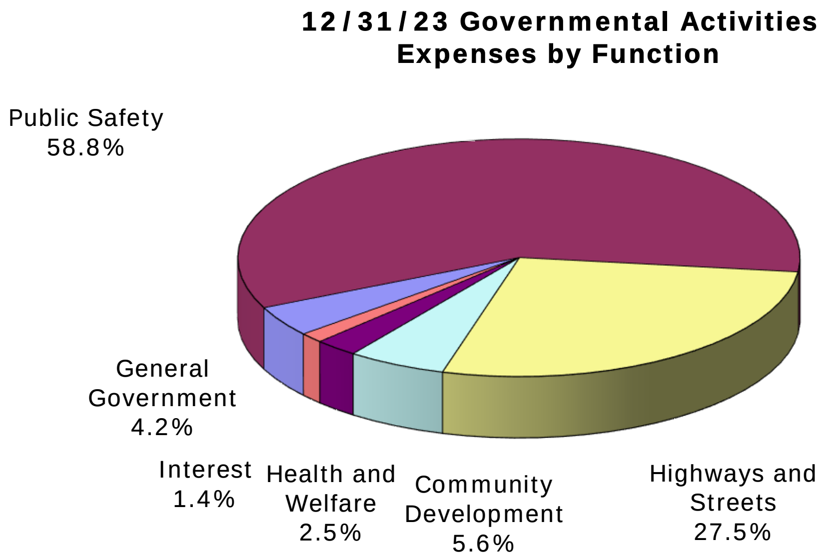
For the fiscal year ended December 31, 2023, revenues from Governmental Activities totaled $118.4 million, which was $732,000 (net of transfers) less than the prior year total. Property and Replacement tax receipts of $41.6 million, which represents 35.1% of the total Governmental Activity revenue, remained relatively level when compared to the prior year due to a 0% Property Tax increase over the prior year extended levy from calendar year 2022, which included a $1.6 million property tax abatement.

During the fiscal year, Other taxes was one of the Village's largest revenue categories coming in at $50.5 million and representing 42.7% of total Government Activity revenue. Other Taxes includes Sales and Home Rule taxes, which when combined brought in $25.1 million during the calendar year. The state and federal laws that require payment of sales taxes on internet sales has had a valuable effect on Sales Tax Receipts. Food and Beverage Taxes also increased 9% over the prior year from, $2.3 million to $2.5 million as a result of inflation. Other Taxes also includes Income Taxes of $12.4 million, which remained relatively level by only decreasing $251,000 under the prior year, which corresponds to a lower level of unemployment. Other taxes, also contains the telecommunications tax, use tax, and other miscellaneous taxes total. Telecommunication tax receipts increased by about $32,300 or 2%. Use taxes decreased approximately $98,700 and electric and natural gas utility tax receipts decreased by about $342,200 due to milder weather in 2023 and more efficient appliances.

Charges for Services came in at $12.3 million or 10.3 % of total Government Activity revenue. These revenues include Building Permits, Engineering Service charges, Ambulance Fees, Cable Franchise Fees, General Fund Service Charges to the Municipal Parking Fund, TIF, Water & Sewer Funds, and the Solid Waste Disposal Fund (SWANCC), parking lot fees and fines, and other charges. Charges for Services, which includes Fines and Fees and Licenses and Permits decreased $1.8 million. These losses were mainly attributable to a decrease in Building permits and the elimination of Vehicle Licenses in 2023.

Grants decreased approximately $1.6 million from the prior year. This decrease is primarily due to the completion of the Rebuild Illinois state grant.

Expenses:



For the year ended December 31, 2023, expenses from Governmental Activities totaled $103.5 million. Expenses increased $5.0 million over the prior year. A significant portion of the increase related to capital outlay charges to highway and streets.

Police and Fire pension property tax levies are collected in the General Fund and paid to these respective pension funds as an employer contribution, and are shown as pension expenses in the Police and Fire Departments.

Business-Type Activities

Revenues:

The total revenue, excluding transfers in, for the business-type activities decreased by $1.4 million. Water and sewer rates increased 5.0% per the Village's five-year rate plan. The rate adjustment allows the Village to make necessary water main replacements to the water and sanitary sewer infrastructure. General Fund Surplus Transfers-in amounted to $5.8 million to the Lead Service Line Replacement Fund. Solid Waste Disposal revenues increased by approximately $128,600 largely from the Multi-family fees. Arts, Entertainment, and Events Fund revenues increased of $83,500 from the prior year mainly due to investment income and Food and Beverage Tax.

Expenses:

Expenses from business-type activities increased approximately $3.1 million (net of transfers) compared to the prior year. The main reason was due to an increase in Personal Services, commodities and Capital Outlay in the Water Utility Operations. In addition, Capital Outlay in the Lead Service Line Replacement Fund increased $571,000 over prior year.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At December 31, 2023, the Governmental Funds Balance Sheet (as presented on Page 11-12) reported a combined fund balance of $93,227,227, which is a 5% increase from the beginning of the year balance of $88,458,809. Of the total fund balance, $32,849,661 is unassigned indicating availability for continuing Village services. The General Fund is the only fund that would report a positive amount in unassigned fund balance. Restricted fund balance reflects amounts that can be spent only for specific purposes stipulated by creditors, grantors, contributors, or imposed by law through enabling legislation adopted by the Village. Restricted fund balances totaling $32,603,820 include $2,147,671 for debt service, $587,252 for capital projects, $2,181,219 for public safety (Foreign Fire Insurance and Drug Forfeiture Funds), $6,855,828 for highways and streets (MFT Fund), $4,057,248 for Stormwater Control, and $16,774,602 for community development (TIF Funds). Assigned fund balances are intended to be used by the Village for specific purposes and are designated by the Village's Finance Director for reporting purposes. Assigned fund balances totaling $27,387,591 includes $5,001,904 for public parking, $21,381,110 for Capital Projects and $1,004,577 for other miscellaneous purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. Revenues came in over expenditures by $7,282,974. Sales tax revenues have started to slow with a decrease of $486,100 under prior year, but Sales Tax receipts from the Internet and the effects of the rising inflation continue to have a positive effect on revenues. Income Taxes decreased slightly, $251,000, from the prior year but are still are remaining strong due to a lower level of unemployment. Due to the termination of a Sales Tax Abatment agreement, $1,705,289 was transfered from Accounts Payable, where funds were held for payment, to Other Inome. Given that the General Fund has acquired a healthy fund balance over the years, the General Fund transferred a surplus of $5,750,000 to the Lead Service Line Replacement Fund.

The Debt Service Fund is used to account for the general long-term debt. The total fund balance of the Debt Service Fund of $2,147,671 increased by $327,432 compared to $1,820,239 at December 31, 2022. Debt service payments due in 2023 decreased $289,678 from the prior year.

The Capital Projects Fund accounts for the costs of capital improvement and equipment replacement. The total Fund Balance increased by $2,566,858 from $18,832,324 to $21,399,182 at December 31, 2023. The increase in Fund Balance was mainly from the combination of Revenues surpassing Expenditures by $2,253,246. The change in Transfers out over the prior year, was lower by $2,500,000.

Proprietary Funds

At December 31, 2023, the Proprietary Funds (as presented on Pages 14-18) total net position increased by $10.4 million or 11.8%. Accumulated depreciation increased by $1.9 million and depreciable assets increased by $4.5 million.

In the Water & Sewer Fund, current assets increased by $2.2 million mainly from the increase in inventory of $2.4 million due to the purchase of residential meters to prepare for the meter replacement program beginning early in 2024. Prepaid expenses increased by $900,000, but these increases were offset by the decrease of $1.2 million in the Due from other funds account. Lead Service Line Replacement current assets increased $6.5 million due mainly from the surplus transfer of $5.8 from the the General Fund. Solid Waste Disposal Fund Cash and investments decreased by $210,300 due to transfers out of $500,000 to the General and Capital Projects Funds. In the A, E & E Fund, cash and investments decreased $56,341 from the increase of expenses of $380,798. Mainly from an increase of $195,864 in Contractual Services and an increase in Capital Outlay of $141,448 over prior year. These expenditure increases were offset by Food and Beverage Tax of $1,033,326 and the Investment income of $75,988.

GENERAL FUND BUDGETARY HIGHLIGHTS

Table 3: General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual
Revenues	$ 88,650,800	$ 88,725,500	$ 88,837,075
Expenditures	83,664,200	89,818,792	81,554,101
Excess of Revenues Over Expenditures	$ 4,986,600	$ (1,093,292)	$ 7,282,974
Other Financing Sources (Uses)	(5,550,000)	(5,550,000)	(5,646,546)
Net Changes in Fund Balance	**$ (563,400)**	**$ (6,643,292)**	**$ 1,636,428**

Over the course of the fiscal year, as shown on page 94 the Village amended the General Fund expenditure budget at various times for a total of $6,154,592 or 7% over the original budget. The expenditure budget amendments can be summarized as follows:

$ 286,920	Encumbrance rollover-purchase orders for goods ordered the prior year, but not received until this fiscal year.
$ 117,672	Miscellaneous Budget Amendments.
$5,750,000	Surplus Operating Transfer Out
$6,154,592	Total General Fund expenditure budget amendments.

General Fund revenues ended the fiscal year $111,575 over the final budget. Property Taxes came in under budget by $1.5 million after a $1.6 million abatement on the 2022 levy. Vehicle licenses were budgeted at $1.4 million, but were eliminated in 2023. Muncipal Sales Tax and Replacement Taxes were a combined $1.5 million under budget. Income tax receipts underperformed the budget by $188,600. Building permits came in $90,000 under Budget. Electric utility and natural gas utility tax receipts combined came in under budget by $420,300. Telecommunications tax receipts came in over budget by $140,000 and Cable franchise fees came in $155,000 lower. This latter revenue decrease was caused by Disruptive technologies from residents replacing Cable with Streaming services. These accounts that finished under budget were offset by several accounts coming in over budget. Other Income came in over budget by $2 million due to the termination of a Sales Tax Abatment agreement, which recognized an unbudgeted $1,705,300 of revenue, which was transferred from Accounts Payable. Funds were held in Accounts Payable for the payment prior to termination of the agreement. In addition, a TIF Reserve Payment of $200,000 from the TIF 5 Fund was transferred in for possible future Tax Refunds. Home Rule Sales and Food/beverage tax receipts were a combined $275,400 over budget. Ambulance service charges came in over budget by $603,300 due to Ground Emergency Medical Transporation (GEMT) supplemental payments paid for transporting Medicaid patients. Other Grants came in over budget by $175,200 primarily from State grants.

The year-end results for General Fund expenditures were positive as expenditures came in under budget by $2.5 million. Of this amount, salaries and fringe benefits expenditures for Police Officers came in under budget by $480,000, due to normal and temporary workers' compensation related vacancies. There were also a number of vacancies in Building, Legal and Public Works that resulted in wages and fringes coming in under budget in the departments by a combined $794,000. These salaries and fringe benefit savings were offset by the Fire Department that was overbudget by $527,000, this overage was mainly from overtime costs incurred from a high volume of service calls. Contractual Services and Commodities came in under budget by $676,000 across all departments. Other Charges were $885,542 below budget mainly from the Sales Tax Abatement being $381,160 under budget due to the current year cancellation of payment from the termination of the Sales Tax Agreement and the $375,200 of unused Operating contigency.

The General Fund's total net change in fund balance increased by $1.6 million as a result of revenues coming in over expenditures by $7.3 million, with an offset from net of other financing (uses) totaling ($5.6 million), to provide financial assistance to the Lead Service Line Replacement Fund. This fund was established to account for the costs associated with the new Federal and State mandates that all public lead water service lines be phased out of service by 2037.

CAPITAL ASSETS

At the end of 2023, the Village had a combined total of $261.59 million invested in a broad range of capital assets including police and fire equipment, buildings, Village facilities, roads, and water and sewer lines. The following tables summarize the changes in Capital Assets which are presented in detail on Pages 35-37 in the Notes to the Financial Statements. Table 4 shows that total capital assets had a net increase (including additions and deletions) of $4.04 million. Table 5 focuses on the changes in capital assets of the governmental and business-type activities.

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

	Governmental Activities		Business-Type Activities		Total Primary	
	2023	2022	2023	2022	2023	2022
Land	$12.40	$12.40	$2.93	$2.93	$15.33	$15.33
Land Right-of-Way	86.21	85.90	--	--	86.21	85.90
Construction in Progress	0.00	0.00	--	--	0.00	0.00
Building	64.82	67.83	6.78	7.20	71.60	75.03
Machinery & Equipment	7.30	7.20	1.40	1.60	8.70	8.80
Infrastructure (Streets)	43.28	38.50	--	--	43.28	38.50
Software	1.89	2.56	--	--	1.89	2.56
Underground Systems (Water & Sewer)	--	--	34.58	31.39	34.58	31.39
Total Capital Assets,	**$215.90**	**$214.43**	**$45.69**	**$43.12**	**$261.59**	**$257.55**

Table 5: Change in Capital Assets (In Millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$214.43	$43.12	257.55
Additions			
Depreciable	7.92	4.47	12.39
Amortizable	0.03	-	0.03
Non-Depreciable	0.27	-	0.27
CIP	-	-	-
Retirements			
Depreciable	(0.49)	-	(0.49)
Amortizable	-	-	-
Non-Depreciable	-	-	-
CIP	-	-	-
Depreciation	(6.05)	(1.90)	(7.95)
Amortization	(0.70)	-	(0.70)
Retirement	0.48	-	0.48
Ending Balance	**$215.90**	**$45.69**	**261.59**

The governmental activities net capital assets increased by $1.5 million due primarily from the additions of vehicles and infrastructure. Depreciation Expense and Amortization was $6.75 million for the current year. For business-type activities, the capital assets net of depreciation increased by $2.57 million or 6% due primarily to the addition of Infrastructure consisting of Water Distribution System.

DEBT OUTSTANDING

As of December 31, 2023, total General Obligation Bonds outstanding for governmental activities amounted to $46.4 million. Of this amount, $29.8 million for reconstruction of public buildings, $2.0 million is for road improvements, $7.9 million for Storm Water Sewer Improvements, $1.1 million for Parking Lot Infrastructure Improvements, and $5.6 million for Water Main Replacements. The Village, under its home rule authority, does not have a legal debt limit. The Village's bond rating of Aa1 by Moody's Investors Service was reaffirmed in 2020 citing the Village's well-managed financial operations and that the village has continued to fully fund the Police and Fire pension plans. Additional information on the Village's long-term debt can be found in the Notes to the Financial Statements on Pages 39-42.

ECONOMIC FACTORS AND NEXT YEAR'S 2024 BUDGET

This fiscal year ended positively as the Village's General Fund ended with a surplus. This operating fund pays for most Village services, except for water and sewer expenses. Due to current and past year's budgeting policies, the Village maintained a strong fund balance. During the past year, the Village experienced the effects of inflation. The Village tightened its expenditures where possible. The state and federal laws requiring the payment of sales taxes on internet sales had a pronounced effect on the Village's sales tax receipts. Property Tax receipts remain stable and the prior year's surplus allowed the Village to pass on a Property Tax abatement of $1.6 million. Income taxes remain level from a lower Unemployment rate. Going forward, the Village will continue to budget conservatively to maintain a stable fund balance, while providing and improving services and infrastructure as technology and the economy changes.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2023

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS			
Cash and investments	$ 129,701,682	$ 29,232,387	$ 158,934,069
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	41,499,657	-	41,499,657
Other taxes	8,285,919	-	8,285,919
Customer accounts	-	3,756,629	3,756,629
CDBG rehabilitation loans	1,850,701	-	1,850,701
Grants	295,881	-	295,881
Accrued interest	2,677	-	2,677
Leases	2,507,828	-	2,507,828
Other	2,606,172	-	2,606,172
Prepaid expenses	1,125,687	1,191,631	2,317,318
Inventory	386,687	2,439,486	2,826,173
Investment in joint venture	-	19,488,615	19,488,615
Capital assets not being depreciated nor amortized	98,614,270	2,926,027	101,540,297
Capital assets being depreciated and amortized (net of accumulated depreciation and amortization)	117,287,632	42,765,581	160,053,213
Total assets	404,164,793	101,800,356	505,965,149
DEFERRED OUTFLOWS OF RESOURCES			
Asset retirement obligation items	-	875,000	875,000
IMRF items	11,864,092	3,437,122	15,301,214
Police pension items	14,193,799	-	14,193,799
Firefighters' pension items	13,440,702	-	13,440,702
OPEB items	4,039,861	419,993	4,459,854
Total deferred outflows of resources	43,538,454	4,732,115	48,270,569
Total assets and deferred outflows of resources	447,703,247	106,532,471	554,235,718

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2023

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
LIABILITIES			
Accounts payable	$ 4,762,187	$ 2,710,315	$ 7,472,502
Accrued payroll	2,389,795	108,736	2,498,531
Unearned revenue	2,027,847	-	2,027,847
Due to pension funds	123,591	-	123,591
Payroll taxes payable	1,952,556	-	1,952,556
Claims payable	1,651,834	-	1,651,834
Accrued interest payable	145,979	-	145,979
Noncurrent liabilities			
Due within one year	8,918,050	154,347	9,072,397
Due in more than one year	176,423,210	5,994,010	182,417,220
Total liabilities	198,395,049	8,967,408	207,362,457
DEFERRED INFLOWS OF RESOURCES			
IMRF items	219,581	64,024	283,605
Police pension items	1,121,263	-	1,121,263
Firefighters' pension items	318,961	-	318,961
OPEB items	4,162,150	77,162	4,239,312
Leases	2,684,871	-	2,684,871
Unavailable revenue - property taxes	40,989,800	-	40,989,800
Total deferred inflows of resources	49,496,626	141,186	49,637,812
Total liabilities and deferred inflows of resources	247,891,675	9,108,594	257,000,269
NET POSITION			
Net investment in capital assets*	174,654,515	45,495,470	209,898,338
Restricted for			
Public safety	2,181,219	-	2,181,219
Highways and streets	6,855,828	-	6,855,828
Capital projects	587,252	-	587,252
Community development	16,774,602	-	16,774,602
Debt service	2,147,671	-	2,147,671
Stormwater control	4,057,248	-	4,057,248
Unrestricted (deficit)	(7,446,763)	51,928,407	54,733,291
TOTAL NET POSITION	$ 199,811,572	$ 97,423,877	$ 297,235,449

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2023

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 4,311,008	$ 4,111,227	$ 889,764	$ -
Public safety	60,917,013	5,138,837	651,072	-
Highways and streets	28,425,010	1,091,363	3,352,611	-
Community development	5,836,404	1,892,435	344,102	-
Health and welfare	2,566,834	52,417	-	-
Interest	1,419,218	-	-	-
Total governmental activities	103,475,487	12,286,279	5,237,549	-
Business-Type Activities				
Water and sewer	20,482,355	22,650,747	-	-
Solid waste disposal	1,830,568	2,122,314	-	-
Arts, entertainment, and events	1,328,424	129,354	-	-
Lead service line replacement	570,812	-	-	756,800
Total business-type activities	24,212,159	24,902,415	-	756,800
TOTAL PRIMARY GOVERNMENT	$ 127,687,646	$ 37,188,694	$ 5,237,549	$ 756,800

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ 689,983	$ -	$ 689,983
	(55,127,104)	-	(55,127,104)
	(23,981,036)	-	(23,981,036)
	(3,599,867)	-	(3,599,867)
	(2,514,417)	-	(2,514,417)
	(1,419,218)	-	(1,419,218)
	(85,951,659)	-	(85,951,659)
	-	2,168,392	2,168,392
	-	291,746	291,746
	-	(1,199,070)	(1,199,070)
	-	185,988	185,988
	-	1,447,056	1,447,056
	(85,951,659)	1,447,056	(84,504,603)
General Revenues			
Taxes			
Property	40,222,393	-	40,222,393
Utility	4,579,657	-	4,579,657
Home rule sales	9,733,165	-	9,733,165
Hotel/motel	917,624	-	917,624
Food and beverage	2,497,517	1,033,326	3,530,843
Telecommunications	1,683,886	-	1,683,886
Foreign fire insurance	197,188	-	197,188
Other	44,861	-	44,861
Intergovernmental - unrestricted			
Sales	15,414,286	-	15,414,286
Use	3,052,746	-	3,052,746
Replacement	1,394,467	-	1,394,467
Shared income taxes	12,406,362	-	12,406,362
ARPA grant	877,691	-	877,691
Investment income	4,678,577	955,672	5,634,249
Miscellaneous	3,238,786	985,739	4,224,525
Transfers (out)	(5,250,000)	5,250,000	-
Total	95,689,206	8,224,737	103,913,943
CHANGE IN NET POSITION	9,737,547	9,671,793	19,409,340
NET POSITION, JANUARY 1	190,074,025	87,752,084	277,826,109
NET POSITION, DECEMBER 31	$ 199,811,572	$ 97,423,877	$ 297,235,449

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

December 31, 2023

	General	Debt Service	Capital Projects	Nonmajor	Total
ASSETS					
Cash and investments	$ 30,168,424	$ 2,065,512	$ 23,024,541	$ 36,173,207	$ 91,431,684
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	26,436,343	6,580,770	5,770,058	2,712,486	41,499,657
Other taxes	7,370,192	-	612,560	303,167	8,285,919
CDBG rehabilitation loans	-	-	-	1,850,701	1,850,701
Zero interest loans	-	-	-	89,224	89,224
Grants	-	-	10,000	285,881	295,881
Leases	2,507,828	-	-	-	2,507,828
Accrued interest	2,677	-	-	-	2,677
Other	1,626,664	-	-	433,279	2,059,943
Prepaid items	220,881	-	18,072	67,000	305,953
Due from other funds	200,001	-	-	-	200,001
Inventory	80,202	-	-	-	80,202
TOTAL ASSETS	$ 68,613,212	$ 8,646,282	$ 29,435,231	$ 41,914,945	$ 148,609,670

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET (Continued)

December 31, 2023

	General	Debt Service	Capital Projects	Nonmajor	Total
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,248,213	$ 611	$ 790,740	$ 1,535,647	$ 3,575,211
Accrued payroll	2,334,933	-	328	9,158	2,344,419
Deposits payable	1,952,556	-	-	-	1,952,556
Due to other funds	123,590	-	-	200,002	323,592
Unearned revenue	18,728	-	1,544,981	8,360	1,572,069
Total liabilities	5,678,020	611	2,336,049	1,753,167	9,767,847
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	1,939,925	1,939,925
Unavailable revenue - property taxes	26,095,000	6,498,000	5,700,000	2,696,800	40,989,800
Leases	2,684,871	-	-	-	2,684,871
Total deferred inflows of resources	28,779,871	6,498,000	5,700,000	4,636,725	45,614,596
Total liabilities and deferred inflows of resources	34,457,891	6,498,611	8,036,049	6,389,892	55,382,443
FUND BALANCES					
Nonspendable					
Prepaid items	220,881	-	18,072	67,000	305,953
Inventory	80,202	-	-	-	80,202
Restricted					
Debt service	-	2,147,671	-	-	2,147,671
Capital projects	-	-	-	587,252	587,252
Public safety	-	-	-	2,181,219	2,181,219
Highways and streets	-	-	-	6,855,828	6,855,828
Community development	-	-	-	16,774,602	16,774,602
Stormwater control	-	-	-	4,057,248	4,057,248
Unrestricted					
Assigned					
Disabled citizens programs	3,130	-	-	-	3,130
Emergency assistance programs	268,654	-	-	-	268,654
Senior center maintenance	255,000	-	-	-	255,000
Canine unit donation	127,793	-	-	-	127,793
TIF refund	350,000	-	-	-	350,000
Capital projects	-	-	21,381,110	-	21,381,110
Public parking	-	-	-	5,001,904	5,001,904
Unassigned	32,849,661	-	-	-	32,849,661
Total fund balances	34,155,321	2,147,671	21,399,182	35,525,053	93,227,227
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 68,613,212	$ 8,646,282	$ 29,435,231	$ 41,914,945	$ 148,609,670

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

December 31, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 93,227,227
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	215,901,902
Less internal service funds	(8,899,514)
Certain revenues are reported as unavailable in governmental funds but reported as revenue on the statement of activities	1,939,925
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(46,385,000)
SBITAs payable	(6,011)
Unamortized premium on bonds	(3,467,815)
Net pension liability - IMRF	(13,105,031)
Net pension liability - police pension	(38,515,773)
Net pension liability - firefighters' pension	(54,278,940)
Total OPEB liability	(26,329,643)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	11,864,092
Deferred inflows of resources	(219,581)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	14,193,799
Deferred inflows of resources	(1,121,263)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Firefighters' Pension Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	13,440,702
Deferred inflows of resources	(318,961)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the Postemployment Benefit Plan are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position	
Deferred outflows of resources	3,964,105
Deferred inflows of resources	(4,113,051)
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in governmental funds	(1,705,155)
Less internal service funds	125,600
Accrued interest on long-term liabilities is reported as a liability on the statement of net position	(145,979)
The net position of the internal service funds are included in the governmental activities in the statement of net position	43,765,937
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 199,811,572

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Nonmajor	Total
REVENUES					
Taxes	$ 41,818,321	$ 6,547,601	$ 7,975,273	$ 3,535,096	$ 59,876,291
Licenses and permits	2,684,480	-	-	-	2,684,480
Intergovernmental	32,267,861	-	-	4,131,650	36,399,511
Grants	899,797	-	877,691	344,102	2,121,590
Charges for services	105,958	-	-	3,060,096	3,166,054
Fines and fees	6,696,407	-	-	-	6,696,407
Investment income	1,815,694	154,092	1,373,881	1,334,910	4,678,577
Miscellaneous	2,548,557	-	151,867	143,024	2,843,448
Total revenues	88,837,075	6,701,693	10,378,712	12,548,878	118,466,358
EXPENDITURES					
Current					
General government	5,246,567	-	-	44,965	5,291,532
Public safety	54,493,183	-	-	676,581	55,169,764
Highways and streets	14,541,173	-	-	1,201,107	15,742,280
Community development	4,801,004	-	-	666,773	5,467,777
Health and welfare	2,443,924	-	-	-	2,443,924
Capital outlay	-	-	8,022,777	9,028,452	17,051,229
Debt service					
Principal retirement	27,997	5,220,000	102,637	-	5,350,634
Interest and fiscal charges	253	1,972,104	52	-	1,972,409
Total expenditures	81,554,101	7,192,104	8,125,466	11,617,878	108,489,549
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,282,974	(490,411)	2,253,246	931,000	9,976,809
OTHER FINANCING SOURCES (USES)					
Transfers in	200,000	817,843	300,000	-	1,317,843
Transfers (out)	(5,874,543)	-	-	(693,300)	(6,567,843)
Proceeds from SBITA issuance	27,997	-	6,011	-	34,008
Proceeds from sale of capital assets	-	-	7,601	-	7,601
Total other financing sources (uses)	(5,646,546)	817,843	313,612	(693,300)	(5,208,391)
NET CHANGE IN FUND BALANCES	1,636,428	327,432	2,566,858	237,700	4,768,418
FUND BALANCES, JANUARY 1	32,518,893	1,820,239	18,832,324	35,287,353	88,458,809
FUND BALANCES, DECEMBER 31	$ 34,155,321	$ 2,147,671	$ 21,399,182	$ 35,525,053	$ 93,227,227

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

For the Year Ended December 31, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 4,768,418
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated or amortized in the statement of activities	6,640,686
Depreciation and amortization in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(4,793,528)
Certain revenues are reported as unavailable in governmental funds but reported as revenue on the statement of activities	(3,324)
The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	5,220,000
The repayment of the principal portion of SBITA payable is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	130,634
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Amortization of premium on long-term debt	534,079
Change in compensated absences liability	110,431
Change in accrued interest payable	19,112
The change in the Illinois Municipal Retirement Fund net pension liability and deferred outflows and inflows of resources is not a source or use of a financial resource	
Net pension liability	(25,005,010)
Deferred outflows and deferred inflows of resources	25,017,242
The change in the Police Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	
Net pension liability	9,834,721
Deferred outflows and deferred inflows of resources	(10,212,960)
The change in the Firefighters' Pension Plan net pension liability and deferred outflow/inflows of resources is not a source or use of a financial resource	
Net pension liability	7,782,211
Deferred outflows and deferred inflows of resources	(10,930,520)
The change in the total OPEB liability and deferred outflow/inflows of resources is not a source or use of a financial resource	
Total OPEB liability	(1,547,486)
Deferred outflows and deferred inflows of resources	134,526
The issuance of bonds is reported as an other financing source in governmental funds but as an increase of principal outstanding on the statement of activities	
SBITAs issued	(34,008)
The change in net position of internal service funds is reported in governmental activities	2,072,323
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 9,737,547

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

December 31, 2023

	Business-Type Activities				Governmental Activities
	Water and Sewer	Lead Service Line Replacement	Nonmajor Enterprise	Total	Internal Service
CURRENT ASSETS					
Cash and cash equivalents	$ 11,175,851	$ 13,569,430	$ 4,487,106	$ 29,232,387	$ 38,269,998
Receivables					
Customer accounts	3,516,935	-	239,694	3,756,629	-
Other	-	-	-	-	457,005
Prepaid expenses	896,803	-	294,828	1,191,631	819,734
Inventory	2,439,486	-	-	2,439,486	306,485
Total current assets	18,029,075	13,569,430	5,021,628	36,620,133	39,853,222
NONCURRENT ASSETS					
Capital assets					
Nondepreciable capital assets	2,450,827	-	475,200	2,926,027	-
Depreciable capital assets	127,794,038	-	2,468,354	130,262,392	25,368,947
Accumulated depreciation	(86,185,904)	-	(1,310,907)	(87,496,811)	(16,469,433)
Net capital assets	44,058,961	-	1,632,647	45,691,608	8,899,514
Other assets					
Investment in joint venture	19,488,615	-	-	19,488,615	-
Total other assets	19,488,615	-	-	19,488,615	-
Total noncurrent assets	63,547,576	-	1,632,647	65,180,223	8,899,514
Total assets	81,576,651	13,569,430	6,654,275	101,800,356	48,752,736
DEFERRED OUTFLOWS OF RESOURCES					
Asset retirement obligation items	875,000	-	-	875,000	-
IMRF items	3,437,122	-	-	3,437,122	-
OPEB items	419,993	-	-	419,993	75,756
Total deferred outflows of resources	4,732,115	-	-	4,732,115	75,756
Total assets and deferred outflows of resources	86,308,766	13,569,430	6,654,275	106,532,471	48,828,492

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

December 31, 2023

	Business-Type Activities				Governmental Activities
	Water and Sewer	Lead Service Line Replacement	Nonmajor Enterprise	Total	Internal Service
CURRENT LIABILITIES					
Accounts payable	$ 2,279,090	$ 411,694	$ 19,531	$ 2,710,315	$ 1,186,976
Unearned revenue	-	-	-	-	455,778
Accrued payroll	108,736	-	-	108,736	45,376
Claims payable	-	-	-	-	1,651,834
Compensated absences payable	49,478	-	-	49,478	25,120
SBITAs payable	-	-	-	-	428,860
Total OPEB liability	104,869	-	-	104,869	25,774
Total current liabilities	2,542,173	411,694	19,531	2,973,398	3,819,718
LONG-TERM LIABILITIES					
Compensated absences payable	197,911	-	-	197,911	100,480
SBITAs payable	-	-	-	-	865,944
Asset retirement obligations	1,050,000	-	-	1,050,000	-
Net pension liability - IMRF	3,821,210	-	-	3,821,210	-
Total OPEB liability	924,889	-	-	924,889	227,314
Total long-term liabilities	5,994,010	-	-	5,994,010	1,193,738
Total liabilities	8,536,183	411,694	19,531	8,967,408	5,013,456
DEFERRED INFLOWS OF RESOURCES					
IMRF items	64,024	-	-	64,024	-
OPEB items	77,162	-	-	77,162	49,099
Total deferred inflows of resources	141,186	-	-	141,186	49,099
Total liabilities and deferred inflows of resources	8,677,369	411,694	19,531	9,108,594	5,062,555
NET POSITION					
Net investment in capital assets	43,862,823	-	1,632,647	45,495,470	8,899,514
Unrestricted	33,768,574	13,157,736	5,002,097	51,928,407	34,866,423
TOTAL NET POSITION	$ 77,631,397	$ 13,157,736	$ 6,634,744	$ 97,423,877	$ 43,765,937

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Water and Sewer	Lead Service Line Replacement	Nonmajor Enterprise	Total	Internal Service
OPERATING REVENUES					
Charges for services	$ 22,199,531	$ -	$ 2,251,668	$ 24,451,199	$ 21,147,300
Contributions	-	-	-	-	3,897,378
Fines	-	-	-	-	28,364
Miscellaneous	965,942	-	-	965,942	229,179
Total operating revenues	23,165,473	-	2,251,668	25,417,141	25,302,221
OPERATING EXPENSES					
Operations	18,605,505	570,812	3,101,119	22,277,436	24,075,397
Depreciation and amortization	1,876,850	-	57,873	1,934,723	1,961,942
Total operating expenses	20,482,355	570,812	3,158,992	24,212,159	26,037,339
OPERATING INCOME (LOSS)	2,683,118	(570,812)	(907,324)	1,204,982	(735,118)
NON-OPERATING REVENUES (EXPENSES)					
Investment income	695,931	166,259	93,482	955,672	1,394,199
Increase in joint venture	451,216	-	-	451,216	-
Food and beverage tax	-	-	1,033,326	1,033,326	-
Intergovernmental	-	756,800	-	756,800	-
Reimbursements	-	-	-	-	65,415
Interest expense and fiscal charges	-	-	-	-	(14,369)
Gain (loss) on sale of capital assets	-	-	-	-	(1,898)
Other income	12,194	-	7,603	19,797	1,364,094
Total non-operating revenues (expenses)	1,159,341	923,059	1,134,411	3,216,811	2,807,441
INCOME BEFORE TRANSFERS	3,842,459	352,247	227,087	4,421,793	2,072,323
TRANSFERS					
Transfers in	-	5,750,000	-	5,750,000	-
Transfers (out)	-	-	(500,000)	(500,000)	-
Total transfers	-	5,750,000	(500,000)	5,250,000	-
CHANGE IN NET POSITION	3,842,459	6,102,247	(272,913)	9,671,793	2,072,323
NET POSITION, JANUARY 1	73,788,938	7,055,489	6,907,657	87,752,084	41,693,614
NET POSITION, DECEMBER 31	$ 77,631,397	$ 13,157,736	$ 6,634,744	$ 97,423,877	$ 43,765,937

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Water and Sewer	Lead Service Line Replacement	Nonmajor Enterprise	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 23,157,222	$ -	$ 2,242,923	$ 25,400,145	$ 3,900,342
Payments for internal services	(1,178,908)	-	-	(1,178,908)	22,844,412
Payments to suppliers	(12,130,877)	(159,118)	(3,040,286)	(15,330,281)	(20,874,887)
Payments to employees	(6,904,983)	-	(254,421)	(7,159,404)	(2,964,716)
Net cash from operating activities	2,942,454	(159,118)	(1,051,784)	1,731,552	2,905,151
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due from other funds	1,200,000	3,000,000	-	4,200,000	2,000,000
Transfers in	-	5,750,000	-	5,750,000	-
Transfers (out)	-	-	(500,000)	(500,000)	-
Intergovernmental	-	756,800	-	756,800	-
Food and beverage tax receipts	-	-	1,033,326	1,033,326	-
Net cash from noncapital financing activities	1,200,000	9,506,800	533,326	11,240,126	2,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital assets purchased	(4,274,774)	-	-	(4,274,774)	(1,583,740)
SBITA principal payments	-	-	-	-	(1,163,310)
SBITA interest payments	-	-	-	-	(14,369)
Net cash from capital and related financing activities	(4,274,774)	-	-	(4,274,774)	(2,761,419)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	695,931	168,301	96,067	960,299	1,411,681
Net cash from investing activities	695,931	168,301	96,067	960,299	1,411,681
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	563,611	9,515,983	(422,391)	9,657,203	3,555,413
CASH AND CASH EQUIVALENTS, JANUARY 1	10,612,240	4,053,447	4,909,497	19,575,184	34,714,585
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 11,175,851	$ 13,569,430	$ 4,487,106	$ 29,232,387	$ 38,269,998

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2023

	Business-Type Activities				Governmental Activities
	Water and Sewer	Lead Service Line Replacement	Nonmajor Enterprise	Total	Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 2,683,118	$ (570,812)	$ (907,324)	$ 1,204,982	$ (735,118)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	1,876,850	-	57,873	1,934,723	1,961,942
Other income	12,194	-	7,603	19,797	1,429,509
Change in assets and liabilities					
Receivables	(20,445)	-	(16,348)	(36,793)	(14,251)
Prepaid expenses	(889,203)	-	(159,635)	(1,048,838)	(9,692)
Inventories	(1,971,103)	-	-	(1,971,103)	(13,521)
Accounts payable	1,188,676	411,694	-	1,600,370	79,217
Accrued payroll	975	-	(33,953)	(32,978)	1,881
Unearned revenue	-	-	-	-	13,024
Compensated absences payable	48,873	-	-	48,873	(5,299)
IMRF items	13,728	-	-	13,728	-
OPEB items	(1,209)	-	-	(1,209)	22,803
Claims payable	-	-	-	-	174,656
NET CASH FROM OPERATING ACTIVITIES	$ 2,942,454	$ (159,118)	$ (1,051,784)	$ 1,731,552	$ 2,905,151
NONCASH TRANSACTIONS					
Investment in joint venture	$ 451,216	$ -	$ -	$ 451,216	$ -
Capital items reported in accounts payable	196,138	-	-	196,138	-
Total noncash transactions	$ 647,354	$ -	$ -	$ 647,354	$ -

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2023

	Pension Trust
ASSETS	
Cash and cash equivalents	$ 14,919,824
Investments	
U.S. Government and agency obligations	36,803,493
Equity securities	42,197,480
Mutual funds	75,848,964
Corporate bonds	13,492,135
Municipal bonds	464,241
Investments held in the Illinois Firefighters' Pension Investment Fund	138,584,922
Receivables	
Accrued interest	455,190
Due from other funds	123,590
Total assets	322,889,839
LIABILITIES	
Accounts payable	13,925
Deferred revenue	23,551
Total liabilities	37,476
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 322,852,363

See accompanying notes to financial statement.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2023

ADDITIONS	
Contributions	
Employer	$ 9,358,548
Participants	3,247,385
Other	15,181
Total contributions	12,621,114
Investment income	
Net appreciation in fair value of investments	37,353,099
Interest income	5,361,510
Subtotal	42,714,609
Less investment expense	(513,321)
Net investment income	42,201,288
Total additions	54,822,402
DEDUCTIONS	
Administrative	77,990
Pension benefits and refunds	19,330,669
Total deductions	19,408,659
NET INCREASE	35,413,743
NET POSITION RESTRICTED FOR PENSION BENEFITS	
January 1	287,438,620
December 31	$ 322,852,363

See accompanying notes to financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Reporting Entity

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

Police Pension Employees Retirement System

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

Firefighters' Pension Employees Retirement System

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

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

b. Fund Accounting

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

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

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

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

The Village reports the following major proprietary funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Additionally, the Village reports the following Internal Service Funds:

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

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

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

The Workers' Compensation Fund is used to account for all costs associated with self-insurance risks for workers' compensation.

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

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

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

f. Interfund Receivables/Payables

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

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

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

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

g. Property Taxes

Property taxes for 2023 attached as an enforceable lien on January 1, 2023, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2024 and August 1, 2024 and are payable in two installments, on or about March 1, 2024 and September 1, 2024. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 3% of the tax levy, to reflect actual collection experience. Since the 2023 levy is intended to fund the 2024 fiscal year, the levy has been recorded as a receivable and deferred inflow of resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Inventories and Prepaid Items/Expenses

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

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

i. Tangible and Intangible Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of $25,000 (with the exception of $10,000 vehicles) and an estimated useful life of greater than of one year.

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

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

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

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

Intangible assets represent the Village's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for subscription contracts of nonfinancial assets including software and are amortized over the shorter of the lease term or useful life of the intangible asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences

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

k. Long-Term Obligations

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

Issuance costs are reported as expenses.

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

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

l. Deferred Outflows/Inflows of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village's Finance Director through the fund balance policy adopted by the Village Board of Trustees. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances of other governmental funds are also reported as unassigned.

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

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

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

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

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village held no investments subject to fair value at December 31, 2023.

a. Village Investments

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

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

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

The Village maintains a cash pool that is available for use by all funds, except the pension trust funds. Investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Deposits with Financial Institutions

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments

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

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

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

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

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

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

3. RECEIVABLES

The following receivables are included in other taxes receivable on the statement of net position at December 31, 2023:

GOVERNMENTAL ACTIVITIES	
Municipal sales tax	$ 3,891,811
Home rule sales tax	2,450,239
Other taxes	1,640,702
Motor fuel tax	303,167
TOTAL GOVERNMENTAL ACTIVITIES	$ 8,285,919

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

GOVERNMENTAL ACTIVITIES	
Franchise fees	$ 299,944
Utility taxes	477,005
Grants	330,316
Zero interest loans	89,224
Stormwater	427,655
IRMA	455,778
Miscellaneous	526,250
TOTAL GOVERNMENTAL ACTIVITIES	$ 2,606,172

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balances, Restated*	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 12,400,272	$ -	$ -	$ 12,400,272
Land right of way	85,947,802	266,196	-	86,213,998
Total capital assets not being depreciated	98,348,074	266,196	-	98,614,270
Tangible capital assets being depreciated				
Buildings and improvements	125,895,562	-	-	125,895,562
Machinery, equipment, and vehicles	26,359,986	1,726,299	489,258	27,597,027
Infrastructure	87,930,257	6,197,923	-	94,128,180
Total tangible capital assets being depreciated	240,185,805	7,924,222	489,258	247,620,769
Intangible capital assets being amortized				
Software	2,560,751	34,008	-	2,594,759
Total intangible capital assets being amortized	2,560,751	34,008	-	2,594,759
Less accumulated depreciation for				
Buildings and improvements	58,001,649	3,076,508	-	61,078,157
Machinery, equipment, and vehicles	19,234,787	1,549,474	488,214	20,296,047
Infrastructure	49,424,204	1,423,279	-	50,847,483
Total accumulated depreciation	126,660,640	6,049,261	488,214	132,221,687
Less accumulated amortization for				
Software	-	706,209	-	706,209
Total accumulated amortization	-	706,209	-	706,209
Total tangible and intangible capital assets being depreciated and amortized, net	116,085,916	1,202,760	1,044	117,287,632
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 214,433,990	$ 1,468,956	$ 1,044	$ 215,901,902

*Beginning balances were restated in connection with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	$ 610,401
Public safety	995,944
Highways and streets	2,568,173
Community development	396,929
Health and welfare	117,859
Internal service	1,359,955
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 6,049,261

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

GOVERNMENTAL ACTIVITIES	
General government	$ 104,222
Internal service	601,987
TOTAL AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 706,209

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	$ 2,926,027	$ -	$ -	$ 2,926,027
Total capital assets not being depreciated	2,926,027	-	-	2,926,027
Capital assets being depreciated				
Buildings and improvements	19,094,219	-	-	19,094,219
Machinery and equipment	6,420,883	38,072	-	6,458,955
Underground systems	100,276,378	4,432,840	-	104,709,218
Total capital assets being depreciated	125,791,480	4,470,912	-	130,262,392
Less accumulated depreciation for				
Buildings and improvements	11,946,773	365,625	-	12,312,398
Machinery and equipment	4,767,423	286,270	-	5,053,693
Underground systems	68,882,892	1,247,828	-	70,130,720
Total accumulated depreciation	85,597,088	1,899,723	-	87,496,811
Total capital assets being depreciated, net	40,194,392	2,571,189	-	42,765,581
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 43,120,419	$ 2,571,189	$ -	$ 45,691,608

4. CAPITAL ASSETS (Continued)

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

BUSINESS-TYPE ACTIVITIES	
Water and sewer	$ 1,841,850
Arts, entertainment, and events	57,873
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	$ 1,899,723

5. RISK MANAGEMENT

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

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

IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration and litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Each member appoints one delegate along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Each member assumes the first $10,000 (higher optional deductibles available) of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. The Village has chosen an optional higher deductible of $100,000. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

5. RISK MANAGEMENT (Continued)

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. The total claims liability remaining as of December 31, 2023 was $1,651,834.

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

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

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Total
UNPAID CLAIMS, DECEMBER 31, 2021	$ 1,406,809	$ 17,214	$ 218,525	$ 1,642,548
Claims incurred - 2022	7,570	-	-	7,570
Claims payments - 2022	-	(9,911)	(163,029)	(172,940)
UNPAID CLAIMS, DECEMBER 31, 2022	1,414,379	7,303	55,496	1,477,178
Claims incurred - 2023	182,762	-	-	182,762
Claims payments - 2023	-	(4,360)	(3,746)	(8,106)
UNPAID CLAIMS, DECEMBER 31, 2023	$ 1,597,141	$ 2,943	$ 51,750	$ 1,651,834

6. COMMUNITY DEVELOPMENT BLOCK GRANT REHABILITATION LOANS

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

	Interest Rates	Beginning of Year	Loans Made	Loan Repayments	Loan Write-Off	End of Year
CDBG rehab loans	0%	$ 1,855,119	$ 10,121	$ 14,539	$ -	$ 1,850,701

7. LONG-TERM DEBT

a. General Obligation Bonds

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

b. Changes in Long-Term Liabilities

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
GOVERNMENTAL ACTIVITIES						
$32,900,000 General Obligation Bonds, Series 2016, due in annual installments ranging from $645,000 to $2,315,000 with interest at 3% to 4%. The last payment is due December 1, 2036.	Debt Service	$ 26,170,000	$ -	$ 1,530,000	$ 24,640,000	$ 1,605,000
$9,530,000 General Obligation Refunding Bonds, Series 2018, due in annual installments ranging from $240,000 to $665,000 with interest at 3.50% to 5.00%. The last payment is due December 1, 2038.	Debt Service	8,255,000	-	375,000	7,880,000	390,000
$7,985,000 General Obligation Refunding Bonds, Series 2019, due in annual installments of $640,000 to $2,265,000 with interest at 5%. The last payment is due December 1, 2026.	Debt Service	7,345,000	-	2,185,000	5,160,000	2,265,000
$11,650,000 General Obligation Bonds, Series 2020, due in annual installments ranging from $500,000 to $1,960,000 with interest at 4%. The last payment is due December 1, 2030.	Debt Service	9,835,000	-	1,130,000	8,705,000	1,175,000
TOTAL GOVERNMENTAL ACTIVITIES		$ 51,605,000	$ -	$ 5,220,000	$ 46,385,000	$ 5,435,000

7. LONG-TERM DEBT (Continued)

b. Changes in Long-Term Liabilities (Continued)

The following is a summary of changes in long-term liabilities during 2022:

	Debt Retired by	Balances January 1, Restated**	Additions	Reductions	Balances December 31	Current Portion at December 31
GOVERNMENTAL ACTIVITIES						
General obligation bonds	Debt Service	$ 51,605,000	$ -	$ 5,220,000	$ 46,385,000	$ 5,435,000
Unamortized bond premium		4,001,894	-	534,079	3,467,815	-
Compensated absences	General/Internal Service	1,820,885	248,447	364,177	1,705,155	341,031
Total OPEB liability	General/Internal Service	25,022,004	1,560,727	-	26,582,731	2,707,148
SBITA liabilities	General/Internal Service	2,560,751	34,008	1,293,944	1,300,815	434,871
Net pension liability - IMRF*	General	-	13,105,033	-	13,105,033	-
Net pension liability - Police Pension	General	48,350,494	-	9,834,721	38,515,773	-
Net pension liability - Firefighters' Pension	General	62,061,151	-	7,782,211	54,278,940	-
TOTAL GOVERNMENTAL ACTIVITIES		$ 195,422,179	$ 14,948,215	$ 25,029,132	$ 185,341,262	$ 8,918,050
BUSINESS-TYPE ACTIVITIES						
Compensated absences	Water and Sewer	$ 198,516	$ 88,576	$ 39,703	$ 247,389	$ 49,478
Net pension liability - IMRF*	Water and Sewer	-	3,821,210	-	3,821,210	-
Total OPEB liability	Water and Sewer	1,088,804	-	59,046	1,029,758	104,869
Asset retirement obligation	Water and Sewer	1,050,000	-	-	1,050,000	-
TOTAL BUSINESS-TYPE ACTIVITIES		$ 2,337,320	$ 3,909,786	$ 98,749	$ 6,148,357	$ 154,347

*The Village reported an IMRF net pension asset at December 31, 2022.
**Beginning balances were restated in connection with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	Governmental Activities Principal	Governmental Activities Interest
2024	$ 5,435,000	$ 1,751,750
2025	4,335,000	1,523,850
2026	4,020,000	1,345,650
2027	3,980,000	1,184,750
2028	4,120,000	1,044,925
2029	4,255,000	900,075
2030	2,870,000	750,400
2031	2,440,000	656,775
2032	2,520,000	580,975
2033	2,620,000	482,875
2034	2,720,000	380,875
2035	2,825,000	274,975
2036	2,935,000	164,975
2037	645,000	49,125
2038	665,000	24,938
TOTAL	$ 46,385,000	$ 11,116,913

d. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

7. LONG-TERM DEBT (Continued)

e. Asset Retirement Obligations

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state, and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells is 30 years. The Village had $1,050,000 in asset retirement obligations and $875,000 in deferred outflows as of December 31, 2023.

f. SBITA Liabilities

In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, the Village's SBITA activity is as follows:

The Village entered into a SBITA for two years for its survey software. At December 31, 2023, the Village reported a SBITA asset of $27,997 and no liability, as this arrangement was paid in full. Principal reduction of $27,997 was reported for the year ended December 31, 2023.

The Village entered into a SBITA for two years for its custom analysis software. At December 31, 2023, the Village reported a SBITA asset of $6,011 and liability in the amount of $6,011. No principal reduction was reported for the year ended December 31, 2023.

The Village entered into a SBITA for five years for its financial software. At December 31, 2023, the Village reported a SBITA asset of $2,458,114 and liability in the amount of $1,294,804. Principal reduction of $1,163,310 was reported for the year ended December 31, 2023.

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending December 31,	Governmental Activities Principal	Governmental Activities Interest
2024	$ 434,871	$ 8,448
2025	431,596	5,523
2036	434,348	2,771
TOTAL	$ 1,300,815	$ 16,742

8. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

c. Northwest Water Commission

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

d. Solid Waste Agency of Northern Cook County

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

9. ECONOMIC INCENTIVES/TAX ABATEMENTS

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

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

9. ECONOMIC INCENTIVES/TAX ABATEMENTS (Continued)

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

The Village's share of the abatement granted to the Class 6b properties was $249,390 for the fiscal year ended December 31, 2023.

10. COMMITMENTS

a. Northwest Water Commission

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

Year Ending December 31,	Amount
2024	$ 4,057,948
2025	4,159,396
2026	4,263,381
2027	4,369,966
2028	4,479,215
2029	4,591,195

These amounts have been calculated using the Village's current allocation percentage of 38.30%. In future years, this allocation percentage will be subject to change.

NWWC has entered into water supply agreements with four member municipalities. The agreements are irrevocable and may not be terminated or amended except as provided in the general resolution. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual quantity of water.

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

10. COMMITMENTS (Continued)

b. Solid Waste Agency of Northern Cook County

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

Year Ending December 31,	Amount
2024	$ 1,747,036
2025	1,985,064
2026	1,790,709
2027	1,860,774
2028	1,944,303

These amounts have been calculated using the Village's allocation percentage of 12.53%. In future years, the allocation percentage will be subject to change.

11. JOINT VENTURES

a. Solid Waste Agency of Northern Cook County

The Village is a member of SWANCC which consists of 23 municipalities. SWANCC is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. SWANCC is empowered to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members.

SWANCC is governed by a Board of Directors which consists of the Mayor or President from each member municipality. Each director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the agency agreement or the by-laws.

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

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

11. JOINT VENTURES (Continued)

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

Revenues of the system consist of (1) all receipts derived from solid waste disposal contracts or any other contracts for the disposal of waste; (2) all income derived from the investment of monies; and (3) all income, fees, service charges, all grants, rents, and receipts derived by SWANCC from the ownership and operation of the system. SWANCC covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

SWANCC has entered into solid waste disposal contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided for in the contract. Each member is obligated, on a "take or pay" basis, to deliver a minimum amount of solid waste to the system. The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under the contract. The contract does not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the contract, the Village made payments totaling $1,659,483 to SWANCC for the year ended December 31, 2023. The payments have been recorded in the Solid Waste Fund. The Village does not have an equity interest in SWANCC at December 31, 2023.

b. Northwest Water Commission

Description of Joint Venture

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

NWWC is governed by a Board of Commissioners which consists of one appointed representative from each member municipality. Each commissioner has an equal vote. The officers of NWWC are appointed by the Board of Commissioners. The Board of Commissioners determines the general policy of NWWC, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts by-laws, rules and regulations, and exercises such powers and performs such

11. JOINT VENTURES (Continued)

b. Northwest Water Commission (Continued)

duties as may be prescribed in the agency agreement or the by-laws.

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

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

NWWC has entered into water supply agreements with the four member municipalities for a term of 40 years, extending to 2059. The agreements are irrevocable and may not be terminated or amended except as provided for in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

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

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

In accordance with the joint venture agreement, the Village remitted $4,319,242 to NWWC for the year ended December 31, 2023. The Village has an equity interest in NWWC in the amount of $19,488,615 as of December 31, 2023.

12. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental (CDBG)	$ 200,001
Police Pension	General	52,686
Fire Pension	General	70,905
TOTAL		$ 323,592

12. INDIVIDUAL FUND DISCLOSURES (Continued)

a. Due From/To Other Funds (Continued)

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

- $200,001 due from Nonmajor Governmental Funds (CDBG) to the General Fund is for a short-term loan. Repayment is expected within one year.
- $52,685 due from the General Fund to the Police Pension Fund for property taxes received in 2024 related to 2023 and market decline.
- $70,905 due from the General Fund to the Fire Pension Fund for property taxes received in 2024 related to 2023 and market decline.

b. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2023 were as follows:

	Transfers In	Transfers Out
General		
Debt Service	$ -	$ 124,543
Lead Service Line Replacement	-	5,750,000
Nonmajor enterprise	200,000	-
Total General	200,000	5,874,543
Debt Service		
General	124,543	-
Nonmajor governmental	693,300	-
Total Debt Service	817,843	-
Capital Projects		
Nonmajor enterprise	300,000	-
Total Capital Projects	300,000	-
Lead Service Line Replacement		
General	5,750,000	-
Total Lead Service Line Replacement	5,750,000	-
Nonmajor Governmental		
Debt service	-	693,300
Total Nonmajor Governmental	-	693,300
Nonmajor Enterprise		
General		200,000
Capital projects	-	300,000
Total Nonmajor Enterprise	-	500,000
TOTAL	$ 7,067,843	$ 7,067,843

12. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- $200,000 transferred to the General Fund from the Nonmajor Enterprise Funds (Solid Waste Fund) to cover operating expenses. This transfer will not be repaid.

- $693,300 transferred to the Debt Service Fund from the Nonmajor Governmental Funds (Storm Water Control) for bond payments. This transfer will not be repaid.

- $300,000 transferred to the Capital Projects Fund from the Nonmajor Enterprise Funds (Solid Waste Fund) to cover capital expenses. This transfer will not be repaid.

- $5,750,000 transferred from the General Fund to the Lead Service Line Replacement Fund to fund lead service line replacement projects. This transfer will not be repaid.

13. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the Village's lessor activity is as follows:

The Village entered into a lease arrangement on September 1, 2019, to lease tower space. Payments ranging from $2,400 to $3,063 are due to the Village in monthly installments, through August 2049. The lease agreement is noncancelable and maintains an interest rate of 1.50%. During the fiscal year, the Village collected $28,800 and recognized a $26,684 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement are $701,638 and $684,892, respectively, as of December 31, 2023.

The Village entered into a lease arrangement on September 1, 2013, to lease tower space. Payments ranging from $2,283 to $4,124 are due to the Village in monthly installments, through December 2042. The lease agreement is noncancelable and maintains an interest rate of 1.40%. During the fiscal year, the Village collected $28,222 and recognized a $32,006 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement are $633,824 and $608,105, respectively, as of December 31, 2023.

13. LESSOR DISCLOSURES (Continued)

The Village entered into a lease arrangement on January 1, 2021, to lease space. Payments ranging from $300 to $473 are due to the Village in monthly installments, through December 2030. The lease agreement is noncancelable and maintains an interest rate of 1.055%. During the fiscal year, the Village collected $3,600 and recognized a $4,761 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement are $37,253 and $33,325, respectively, as of December 31, 2023.

The Village entered into a lease arrangement on May 1, 2010, to lease space. Payments ranging from $758 to $47,425 are due to the Village in monthly installments, through April 2033. The lease agreement is noncancelable and maintains an interest rate of 1.117%. During the fiscal year, the Village collected $258,033 and recognized a $145,559 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement are $1,135,113 and $1,358,549, respectively, as of December 31, 2023.

14. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2022 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	83
Terminated employees entitled to benefits but not yet receiving them	-
Duty disabled participants	16
Active employees	384
TOTAL	483
Participating employers	1

d. Total OPEB Liability

The Village's total OPEB liability of $27,612,489 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2023, including updating the discount rate at December 31, 2023, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	3.00%
Discount rate	3.77%
Healthcare cost trend rates	6.75% Initial 4.50% Ultimate

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2023	$ 26,110,808
Changes for the period	
Service cost	1,065,686
Interest	1,029,593
Benefit changes	-
Differences between expected and actual experience	-
Assumption changes*	783,865
Benefit payments	(1,377,463)
Net changes	1,501,681
BALANCES AT DECEMBER 31, 2023	$ 27,612,489

*There were changes in assumptions related to the discount rate in 2023.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.77% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	$ 30,682,552	$ 27,612,489	$ 24,998,934

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 6.75% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Healthcare Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	$ 24,405,335	$ 27,612,489	$ 31,476,969

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

For the year ended December 31, 2023, the Village recognized OPEB expense of $2,812,017. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 915,508	$ 2,644,747
Changes in assumptions	3,544,346	1,594,565
TOTAL	$ 4,459,854	$ 4,239,312

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

Year Ending December 31,	
2024	$ 716,738
2025	361,717
2026	(190,914)
2027	(206,487)
2028	(206,487)
Thereafter	(254,025)
TOTAL	$ 220,542

15. DEFINED BENEFIT PENSION PLANS

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2023:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability	$ 16,926,241	$ 38,515,773	$ 54,278,940	$ 109,720,954
Deferred outflows of resources	15,301,214	14,193,799	13,440,702	42,935,715
Deferred inflows of resources	283,605	1,121,263	318,961	1,723,829
Pension expense	2,293,765	4,364,657	8,520,439	15,178,861

a. Plan Descriptions

<u>Illinois Municipal Retirement Fund</u>

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2022, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	526
Inactive employees entitled to but not yet receiving benefits	241
Active employees	383
TOTAL	1,150

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

Benefits Provided

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

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

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The actual and required employer contribution for the year ended December 31, 2023 was 10.39% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Fair value

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	$ 207,181,158	$ 227,694,492	$ (20,513,334)
Changes for the period			
Service cost	2,607,779	-	2,607,779
Interest	14,674,957	-	14,674,957
Difference between expected and actual experience	2,645,395	-	2,645,395
Changes in assumptions	-	-	-
Employer contributions	-	3,574,965	(3,574,965)
Employee contributions	-	1,281,587	(1,281,587)
Net investment income	-	(29,082,543)	29,082,543
Benefit payments and refunds	(12,143,697)	(12,143,697)	-
Other (net transfer)	-	719,599	(719,599)
Net changes	7,784,434	(35,650,089)	43,434,523
BALANCES AT DECEMBER 31, 2022	$ 214,965,592	$ 192,044,403	$ 22,921,189

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

The table presented above includes amounts for both the Village and the Library. The Village's collective shares of the net pension liability (asset) at January 1, 2022 the employer contributions, and the net pension liability at December 31, 2022, were $(15,148,152), $2,329,904, and $16,926,241, respectively. The Library's collective shares of the net pension liability (asset) at January 1, 2022, the employer contributions, and the net pension liability at December 31, 2022, were $(5,365,182), $922,862, and $5,994,948, respectively.

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

For the year ended December 31, 2023, the Village recognized pension expense of $2,293,765.

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,620,926	$ 100,650
Changes in assumption	-	182,955
Net difference between projected and actual earnings on pension plan investments	11,350,384	-
Employer contributions subsequent to the measurement date	2,329,904	-
TOTAL	$ 15,301,214	$ 283,605

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

$2,329,904 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2024	$ (341,271)
2025	2,382,330
2026	3,948,528
2027	6,698,119
TOTAL	$ 12,687,705

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (Village)	$ 34,560,099	$ 16,926,241	$ 2,717,715
Net pension liability (Library)	12,240,520	5,994,948	962,562
Net pension liability (Total)	$ 46,800,619	$ 22,921,189	$ 3,680,277

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2023, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	125
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	109
TOTAL	245

Benefits Provided

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2023, the Village's contribution was 30.71% of covered payroll.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The investment policy was not modified during the year ended December 31, 2023.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	33%	1.40% to 4.00%
Domestic equities	5% to 52%	4.50% to 5.10%
International equities	5%	6.30% to 6.70%
Real estate	3%	5.70%
Cash and cash equivalents	0%	0.40%

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The overall target for the Fund is approximately 35% invested in fixed income securities and 65% invested in equity securities. The long-term expected real rates of return are net of a 2.60% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023, are listed in the table on the previous page.

Investment Concentrations

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

Investment Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2023:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	$ 36,334,490	$ 2,334,106	$ 25,413,305	$ 8,587,079	$ -
U.S. agency obligations	469,003	5,445	173,828	243,933	45,797
Corporate bonds	13,492,135	727,995	8,590,370	3,897,589	276,181
Municipal bonds	464,241	-	366,651	97,590	-
TOTAL	$ 50,759,869	$ 3,067,546	$ 34,544,154	$ 12,826,191	$ 321,978

The Fund has the following recurring fair value measurements as of December 31, 2023: the U.S. agency obligations, corporate bonds, and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The U.S. Treasury obligations, equities, and mutual funds use Level 1 inputs.

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

Credit Risk

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk

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

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	$ 208,310,398	$ 159,959,904	$ 48,350,494
Changes for the period			
Service cost	3,183,044	-	3,183,044
Interest	13,676,468	-	13,676,468
Difference between expected and actual experience	2,963,434	-	2,963,434
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	3,986,418	(3,986,418)
Employee contributions	-	2,030,248	(2,030,248)
Other contributions	-	3,491	(3,491)
Net investment income	-	23,637,510	(23,637,510)
Benefit payments and refunds	(10,515,799)	(10,515,799)	-
Administrative expense	(26,299)	(26,299)	-
Net changes	9,280,848	19,115,569	(9,834,721)
BALANCES AT DECEMBER 31, 2023	$ 217,591,246	$ 179,075,473	$ 38,515,773

There were no changes to actuarial assumptions in the current year.

As of December 31, 2023, the plan fiduciary net position as a percentage of the total pension liability was 82.30%.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Interest rate	6.75%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Fair value

Mortality assumptions were based upon the PubS-2010 Base Rates projected to 2022 with Scale MP2021.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	$ 68,606,017	$ 38,515,773	$ 13,920,244

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2023, the Village recognized pension expense of $4,364,657. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,345,582	$ -
Changes in assumptions	3,515,842	1,121,263
Net difference between projected and actual earnings on pension plan investments	3,332,375	-
TOTAL	$ 14,193,799	$ 1,121,263

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

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

Year Ending December 31,	
2024	$ 3,476,600
2025	4,894,612
2026	6,273,062
2027	(1,807,517)
2028	235,779
Thereafter	-
TOTAL	$ 13,072,536

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2023, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	110
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	109
TOTAL	223

Benefits Provided

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

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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

Firefighters' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2023, the Village's contribution was 39.62% of covered payroll.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2023.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IFPIF was $138,584,922 at December 31, 2023. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2023. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2023. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Investment Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023, was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	$ 189,539,867	$ 127,478,716	$ 62,061,151
Changes for the period			
Service cost	3,813,335	-	3,813,335
Interest	12,471,648	-	12,471,648
Difference between expected and actual experience	1,097,541	-	1,097,541
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,372,130	(5,372,130)
Employee contributions	-	1,217,137	(1,217,137)
Other contributions	-	11,690	(11,690)
Net investment income	-	18,563,778	(18,563,778)
Benefit payments and refunds	(8,814,870)	(8,814,870)	-
Administrative expense	(51,691)	(51,691)	-
Net changes	8,515,963	16,298,174	(7,782,211)
BALANCES AT DECEMBER 31, 2023	$ 198,055,830	$ 143,776,890	$ 54,278,940

There were no changes to actuarial assumptions in the current year.

As of December 31, 2023, the plan fiduciary net position as a percentage of the total pension liability was 72.59%.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Interest rate	6.75%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Fair value

Mortality assumptions were based upon the PubS-2010 base rates projected to 2022 with Scale MP2021.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	$ 81,037,248	$ 54,278,940	$ 32,299,178

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2023, the Village recognized pension expense of $8,520,439. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,374,100	$ 318,961
Changes in assumption	3,650,310	-
Net difference between projected and actual earnings on pension plan investments	7,416,292	-
TOTAL	$ 13,440,702	$ 318,961

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

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

Year Ending December 31,	
2024	$ 4,413,840
2025	5,538,320
2026	5,002,225
2027	(1,832,644)
2028	-
Thereafter	-
TOTAL	$ 13,121,741

15. DEFINED BENEFIT PENSION PLANS (Continued)

b. Fiduciary Funds Summary Financial Information

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

Statement of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	$ 9,784,836	$ 5,134,988	$ 14,919,824
Investments			
U.S. Government and U.S. agency obligations	36,803,493	-	36,803,493
Equity securities	42,197,480	-	42,197,480
Mutual funds	75,848,964	-	75,848,964
Corporate bonds	13,492,135	-	13,492,135
Municipal bonds	464,241	-	464,241
Investments held in the Illinois Firefighters' Pension Investment Fund	-	138,584,922	138,584,922
Receivables			
Accrued interest	455,189	-	455,189
Due from other funds	52,686	70,905	123,591
Total assets	179,099,024	143,790,815	322,889,839
LIABILITIES			
Accounts payable	-	13,925	13,925
Deferred revenue	23,551	-	23,551
Total liabilities	23,551	13,925	37,476
NET POSITION	$ 179,075,473	$ 143,776,890	$ 322,852,363

15. DEFINED BENEFIT PENSION PLANS (Continued)

b. Fiduciary Funds Summary Financial Information (Continued)

Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 3,986,418	$ 5,372,130	$ 9,358,548
Employee	2,030,248	1,217,137	3,247,385
Other	3,491	11,690	15,181
Total contributions	6,020,157	6,600,957	12,621,114
Invest income			
Net appreciation in fair value of investments	20,724,613	16,628,486	37,353,099
Interest income	3,286,681	2,074,829	5,361,510
Less investment expense	(373,784)	(139,537)	(513,321)
Net investment income	23,637,510	18,563,778	42,201,288
Total additions	29,657,667	25,164,735	54,822,402
DEDUCTIONS			
Administrative	26,299	51,691	77,990
Pension benefits and refunds	10,515,799	8,814,870	19,330,669
Total deductions	10,542,098	8,866,561	19,408,659
NET INCREASE	19,115,569	16,298,174	35,413,743
NET POSITION RESTRICTED FOR PENSIONS			
January 1	159,959,904	127,478,716	287,438,620
December 31	$ 179,075,473	$ 143,776,890	$ 322,852,363

16. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended December 31, 2023, the Village implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. With the implementation, the Village is required to record the beginning net position/fund balance associated with the intangible right-to-use software and related liability.

The beginning net position of the following opinion units have been restated to reflect the new guidance as follows:

Governmental Activities

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	$ 190,074,025
Recording of SBITA liability	(102,637)
Recording of intangible right-to-use software	102,637
Total net restatement	-
BEGINNING NET POSITION, AS RESTATED	$ 190,074,025

Technology Fund

BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	$ 4,652,334
Recording of SBITA liability	(2,458,114)
Recording of intangible right-to-use software	2,458,114
Total net restatement	-
BEGINNING NET POSITION, AS RESTATED	$ 4,652,334

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

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

For the Year Ended December 31, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	$ 26,295,000	$ 26,295,000	$ 24,794,901
Other taxes	16,846,000	16,846,000	17,023,420
Licenses and permits	4,105,600	4,105,600	2,684,480
Intergovernmental	33,901,000	33,901,000	32,267,861
Grants	633,100	707,800	899,797
Charges for services	17,000	17,000	105,958
Fines and fees	6,121,100	6,121,100	6,696,407
Investment income	160,000	160,000	1,815,694
Miscellaneous	572,000	572,000	2,548,557
Total revenues	88,650,800	88,725,500	88,837,075
EXPENDITURES			
Current			
General government	6,042,000	6,017,200	5,246,567
Public safety	54,497,600	54,652,375	54,493,183
Highways and streets	15,405,800	15,553,360	14,541,173
Community development	5,172,400	5,217,057	4,801,004
Health and welfare	2,546,400	2,628,800	2,443,924
Debt service			
Principal retirement	-	-	27,997
Interest and fiscal charges	-	-	253
Total expenditures	83,664,200	84,068,792	81,554,101
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,986,600	4,656,708	7,282,974
OTHER FINANCING SOURCES (USES)			
Proceeds from SBITA issuance	-	-	27,997
Transfers in	200,000	200,000	200,000
Transfers (out)	-	(5,750,000)	(5,874,543)
Total other financing sources (uses)	200,000	(5,550,000)	(5,646,546)
NET CHANGE IN FUND BALANCE	$ 5,186,600	$ (893,292)	1,636,428
FUND BALANCE, JANUARY 1			32,518,893
FUND BALANCE, DECEMBER 31			$ 34,155,321

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018*	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 3,159,698	$ 3,257,572	$ 3,170,250	$ 2,473,709	$ 2,023,617	$ 2,619,117	$ 2,132,099	$ 2,199,349	$ 1,642,355
Contributions in relation to the actuarially determined contribution	3,159,698	3,257,572	3,170,250	2,473,709	2,023,617	2,619,117	2,132,099	2,199,349	1,642,355
Additional contributions	8,776	-	-	4,069	-	-	437,112	251,465	630,078
CONTRIBUTION DEFICIENCY (EXCESS)	$ (8,776)	$ -	$ -	$ (4,069)	$ -	$ -	$ (437,112)	$ (251,465)	$ (630,078)
Covered payroll	$ 24,380,386	$ 24,924,034	$ 25,690,842	$ 19,447,399	$ 20,055,727	$ 20,735,143	$ 20,200,789	$ 21,050,942	$ 21,878,375
Contributions as a percentage of covered payroll	13.00%	13.07%	12.34%	12.74%	10.09%	12.63%	12.72%	11.64%	10.39%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 21 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.25% compounded annually.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Actuarially determined contribution	$ 4,222,683	$ 4,432,000	$ 2,779,725	$ 3,839,961	$ 3,878,094	$ 4,016,824	$ 4,108,483	$ 4,072,578	$ 3,757,141	$ 4,189,711
Contributions in relation to the actuarially determined contribution	4,529,400	4,500,000	4,500,000	3,994,000	5,379,000	4,017,000	4,209,000	4,073,000	4,114,000	3,986,418
CONTRIBUTION DEFICIENCY (EXCESS)	$ (306,717)	$ (68,000)	$ (1,720,275)	$ (154,039)	$ (1,500,906)	$ (176)	$ (100,517)	$ (422)	$ (356,859)	$ 203,293
Additional contributions	$ -	$ -	$ -	$ -	$ -	$ 1,500,000	$ 1,250,000	$ -	$ 2,000,000	$ -
Covered payroll	$ 9,938,967	$ 10,381,979	$ 10,722,080	$ 10,917,682	$ 11,153,797	$ 11,316,038	$ 11,175,270	$ 11,733,708	$ 12,332,522	$ 12,981,534
Contributions as a percentage of covered payroll	45.57%	43.34%	41.97%	36.58%	48.23%	35.50%	37.66%	34.71%	33.36%	30.71%

Notes to the required supplementary information

Actuarial cost method	Entry-age normal
Amortization method	Level % of pay (closed)
Remaining amortization period	17 years
Asset valuation method	Three-year smoothed fair value
Inflation	2.50%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Retirement age	Graded by age (5% at age 50 to 100% at age 65)
Mortality	PubS-2010 base rates projected to 2023 with Scale MP2021

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Actuarially determined contribution	$ 4,771,232	$ 5,055,378	$ 3,235,984	$ 4,734,724	$ 4,852,647	$ 4,952,007	$ 5,030,110	$ 4,912,161	$ 5,255,147	$ 5,880,365
Contributions in relation to the actuarially determined contribution	5,007,300	5,057,400	5,100,000	4,889,000	6,353,000	4,953,000	5,130,000	4,913,000	4,962,000	5,372,130
CONTRIBUTION DEFICIENCY (EXCESS)	$ (236,068)	$ (2,022)	$ (1,864,016)	$ (154,276)	$ (1,500,353)	$ (993)	$ (99,890)	$ (839)	$ 293,147	$ 508,235
Additional contributions	$ -	$ -	$ -	$ -	$ -	$ 1,500,000	$ 1,250,000	$ -	$ 2,000,000	$ -
Covered payroll	$ 10,022,659	$ 10,617,314	$ 10,623,394	$ 10,874,876	$ 11,626,566	$ 11,281,241	$ 11,851,132	$ 12,133,125	$ 12,439,265	$ 13,560,042
Contributions as a percentage of covered payroll	49.96%	47.63%	48.01%	44.96%	54.64%	43.90%	43.29%	40.49%	39.89%	39.62%

Notes to the required supplementary information

Actuarial cost method	Entry-age normal
Amortization method	Level % of pay (closed)
Remaining amortization period	17 years
Asset valuation method	Three-year smoothed fair value
Inflation	2.50%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Retirement age	Graded by age (3% at age 50 to 100% at age 65)
Mortality	PubS-2010 base rates projected to 2023 with Scale MP2021

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE	**4/30/2015**	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
TOTAL PENSION LIABILITY										
Service cost	$ 3,248,450	$ 1,989,231	$ 2,940,458	$ 2,941,583	$ 2,931,782	$ 3,057,662	$ 3,224,894	$ 2,907,221	$ 3,092,823	$ 3,183,044
Interest	9,147,568	6,520,521	9,907,311	10,273,549	10,728,873	11,029,601	11,492,531	11,947,829	13,092,468	13,676,468
Changes in benefit terms	-	-	-	-	-	(15,185)	-	-	-	-
Differences between expected and actual experience	325,542	(1,044,681)	(1,217,235)	495,807	(3,899,982)	1,459,100	1,302,495	3,979,655	4,680,826	2,963,434
Changes of assumptions	3,089,627	-	236,267	(712,451)	2,333,982	(107,864)	98,722	8,179,515	(1,767,196)	-
Benefit payments, including refunds and member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)	(8,919,945)	(9,658,478)	(10,296,202)	(10,515,799)
Administrative expense	-	-	-	-	-	(37,141)	(53,509)	(52,684)	(31,926)	(26,299)
Net change in total pension liability	10,389,616	3,629,697	5,813,055	6,391,367	4,957,774	7,321,504	7,145,188	17,303,058	8,770,793	9,280,848
Total pension liability - beginning	136,588,346	146,977,962	150,607,659	156,420,714	162,812,081	167,769,855	175,091,359	182,236,547	199,539,605	208,310,398
TOTAL PENSION LIABILITY - ENDING	$ 146,977,962	$ 150,607,659	$ 156,420,714	$ 162,812,081	$ 167,769,855	$ 175,091,359	$ 182,236,547	$ 199,539,605	$ 208,310,398	$ 217,591,246
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 4,529,400	$ 4,500,000	$ 4,500,000	$ 3,994,000	$ 5,379,000	$ 5,267,000	$ 4,209,000	$ 4,073,000	$ 6,114,000	$ 3,986,418
Contributions - member	986,380	691,981	1,036,023	1,151,412	1,144,554	1,304,981	1,210,559	1,146,864	1,224,154	2,030,248
Contributions - other	276,199	4,776	355,856	1,127	11,828	5,650	748	530,584	873,309	3,491
Net investment income	7,837,174	(1,016,522)	6,685,207	17,098,096	(6,034,752)	26,104,148	18,366,519	26,574,971	(23,697,367)	23,637,510
Benefit payments, including refunds of member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)	(8,919,945)	(9,658,478)	(10,296,202)	(10,515,799)
Administrative expense	(32,090)	(27,218)	(37,365)	(43,276)	(34,640)	(37,166)	(53,509)	(52,684)	(31,926)	(26,299)
Net change in plan fiduciary net position	8,175,492	317,643	6,485,975	15,594,238	(6,670,891)	24,579,944	14,813,372	22,614,257	(25,814,032)	19,115,569
Plan fiduciary net position - beginning	99,863,906	108,039,398	108,357,041	114,843,016	130,437,254	123,766,363	148,346,307	163,159,679	185,773,936	159,959,904
PLAN FIDUCIARY NET POSITION - ENDING	$ 108,039,398	$ 108,357,041	$ 114,843,016	$ 130,437,254	$ 123,766,363	$ 148,346,307	$ 163,159,679	$ 185,773,936	$ 159,959,904	$ 179,075,473
EMPLOYER'S NET PENSION LIABILITY	$ 38,938,564	$ 42,250,618	$ 41,577,698	$ 32,374,827	$ 44,003,492	$ 26,745,052	$ 19,076,868	$ 13,765,669	$ 48,350,494	$ 38,515,773

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Plan fiduciary net position as a percentage of the total pension liability	73.51%	71.95%	73.42%	80.12%	73.77%	84.73%	89.53%	93.10%	76.79%	82.30%
Covered payroll	$ 9,938,967	$ 10,381,979	$ 10,722,080	$ 10,917,682	$ 11,153,797	$ 11,316,038	$ 11,175,270	$ 11,733,708	$ 12,332,522	$ 12,981,534
Employer's net pension liability as a percentage of covered payroll	391.80%	407.00%	387.80%	296.50%	394.50%	236.30%	170.70%	117.30%	392.10%	296.70%

Notes to Required Supplementary Information

Year Ended December 31, 2023 - There were no changes in assumptions.

Year Ended December 31, 2022 -There were changes in assumptions related to mortality rates.

Year Ended December 31, 2021 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2020 - There were changes in assumptions related to mortality rates.

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

Year Ended December 31, 2018 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2017 - There were changes in assumptions related to retirement rates and termination rates.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE	**4/30/2015**	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
TOTAL PENSION LIABILITY										
Service cost	$ 3,320,273	$ 2,190,940	$ 3,459,315	$ 3,419,246	$ 3,524,860	$ 3,677,732	$ 3,703,881	$ 3,758,807	$ 4,066,105	$ 3,813,335
Investment income	8,688,821	6,058,901	9,234,329	9,618,402	9,793,838	10,133,648	10,454,457	10,772,140	11,801,187	12,471,648
Changes in benefit terms	-	-	-	-	-	(140,839)	-	-	-	-
Differences between expected and actual experience	(1,433,511)	1,574	(1,336,382)	(2,422,578)	(843,543)	(1,350,024)	(1,740,361)	780,407	2,063,546	1,097,541
Changes of assumptions	2,059,344	-	228,889	(1,287,282)	(832,861)	(113,594)	99,604	8,242,761	805,981	-
Benefit payments, including refunds and member contributions	(5,795,896)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)	(7,617,823)	(7,913,187)	(8,508,695)	(8,814,870)
Administrative expense	-	-	-	-	-	(28,405)	(28,116)	(73,219)	(129,528)	(51,691)
Net change in total pension liability	6,839,031	4,304,996	5,363,456	2,775,236	4,810,079	4,968,241	4,871,642	15,567,709	10,098,596	8,515,963
Total pension liability - beginning	129,940,881	136,779,912	141,084,908	146,448,364	149,223,600	154,033,679	159,001,920	163,873,562	179,441,271	189,539,867
TOTAL PENSION LIABILITY - ENDING	$ 136,779,912	$ 141,084,908	$ 146,448,364	$ 149,223,600	$ 154,033,679	$ 159,001,920	$ 163,873,562	$ 179,441,271	$ 189,539,867	$ 198,055,830
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 5,007,300	$ 5,057,400	$ 5,100,000	$ 4,889,000	$ 6,353,000	$ 6,203,000	$ 5,130,000	$ 4,913,000	$ 6,962,000	$ 5,372,130
Contributions - member	967,685	689,993	989,862	1,021,422	1,065,390	1,097,478	1,141,126	1,145,403	1,168,906	1,217,137
Contributions - other	1,451	21,628	20	5,406	641	1,299	6,208	94,381	-	11,690
Net investment income	6,263,908	(2,559,246)	6,915,387	12,680,482	(3,662,611)	17,090,656	13,683,719	14,996,271	(21,375,427)	18,563,778
Benefit payments, including refunds of member contributions	(5,795,897)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)	(7,617,823)	(7,913,187)	(8,508,695)	(8,814,870)
Administrative expense	(35,679)	(62,395)	(62,158)	(27,283)	(28,953)	(28,405)	(28,116)	(73,219)	(129,528)	(51,691)
Net change in plan fiduciary net position	6,408,768	(799,039)	6,720,416	12,016,475	(3,104,748)	17,153,751	12,315,114	13,162,649	(21,882,744)	16,298,174
Plan fiduciary net position - beginning	85,488,074	91,896,842	91,097,803	97,818,219	109,834,694	106,729,946	123,883,697	136,198,811	149,361,460	127,478,716
PLAN FIDUCIARY NET POSITION - ENDING	$ 91,896,842	$ 91,097,803	$ 97,818,219	$ 109,834,694	$ 106,729,946	$ 123,883,697	$ 136,198,811	$ 149,361,460	$ 127,478,716	$ 143,776,890
EMPLOYER'S NET PENSION LIABILITY	$ 44,883,070	$ 49,987,105	$ 48,630,145	$ 39,388,906	$ 47,303,733	$ 35,118,223	$ 27,674,751	$ 30,079,811	$ 62,061,151	$ 54,278,940

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Plan fiduciary net position as a percentage of the total pension liability	67.19%	64.57%	66.79%	73.60%	69.29%	77.91%	83.11%	83.24%	67.26%	72.59%
Covered payroll	$ 10,022,659	$ 10,617,314	$ 10,623,394	$ 10,874,876	$ 11,626,566	$ 11,281,241	$ 11,851,132	$ 12,133,125	$ 12,439,265	$ 13,560,042
Employer's net pension liability as a percentage of covered payroll	447.80%	470.80%	457.80%	362.20%	406.90%	311.30%	233.50%	247.90%	498.90%	400.30%

Notes to Required Supplementary Information

Year Ended December 31, 2023 - There were no changes in assumptions.

Year Ended December 31, 2022 -There were changes in assumptions related to mortality rates.

Year Ended December 31, 2021 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2020 - There were changes in assumptions related to mortality rates.

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

Year Ended December 31, 2018 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2017 - There were changes in assumptions related to retirement rates and termination rates.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Employer's proportion of net pension liability (asset)	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%
Employer's proportionate share of net pension liability (asset)	$ 10,753,457	$ 16,955,133	$ 17,742,985	$ 3,784,058	$ 22,559,933	$ 10,898,733	$ 44,609	$ (15,148,152)	$ 16,926,241
Employer's covered payroll	18,004,915	18,148,759	18,553,451	19,122,774	19,447,399	20,055,727	20,735,143	20,735,143	20,200,789
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	59.73%	93.42%	95.63%	19.79%	116.00%	54.34%	0.22%	(73.06%)	83.79%
Plan fiduciary net position as a percentage of the total pension liability	90.96%	86.40%	86.35%	97.10%	83.82%	92.46%	99.97%	109.90%	89.34%

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Service cost	$ 650,191	$ 570,040	$ 741,577	$ 787,662	$ 844,877	$ 1,065,686
Interest	726,304	983,165	779,169	536,660	506,620	1,029,593
Benefit changes	-	-	(866,236)	-	-	-
Changes in assumptions	(1,191,261)	3,921,667	2,213,789	506,106	(1,824,294)	783,865
Differences between expected and actual experience	3,749,195	-	(3,274,902)	-	(346,840)	-
Implicit benefit payments	(1,028,719)	(1,107,830)	(1,134,306)	(1,053,223)	(1,206,430)	(1,377,463)
Net change in total OPEB liability	2,905,710	4,367,042	(1,540,909)	777,205	(2,026,067)	1,501,681
Total OPEB liability - beginning	21,627,827	24,533,537	28,900,579	27,359,670	28,136,875	26,110,808
TOTAL OPEB LIABILITY - ENDING	$ 24,533,537	$ 28,900,579	$ 27,359,670	$ 28,136,875	$ 26,110,808	$ 27,612,489
Covered-employee payroll	$ 44,727,544	$ 41,876,464	$ 41,370,995	$ 42,612,126	$ 41,364,577	$ 42,605,514
Employer's total OPEB liability as a percentage of covered-employee payroll	54.85%	69.01%	66.13%	66.03%	63.12%	64.81%

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

There was a change in assumptions related to the discount rate, mortality assumptions, and the withdrawal, disability, and retirement rates in 2018.

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

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

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

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

There was a change in assumptions related to the discount rate and healthcare cost trend rates in 2022.

There was a change in assumptions related to the discount rate in 2023.

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Annual money-weighted rate of return, net of investment expense	8.06%	(4.74%)	6.28%	14.90%	(5.03%)	21.27%	13.37%	16.60%	(12.52%)	15.53%

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Annual money-weighted rate of return, net of investment expense	11.52%	(2.50%)	7.70%	13.24%	(3.35%)	16.55%	11.30%	(13.43%)	3.19%	13.40%

(See independent auditor's report.)

1. BUDGETS

At the first Committee-of-the-Whole (the Committee) meeting in November, the Village Manager submits to the Committee his proposed operating budget for the fiscal year commencing the following January 1. It is for the period January 1 through December 31 and contains a budget for all funds at a line item level within each fund. The Village Manager's budget includes proposed expenditures and the means for financing them. Preceding this meeting a number of budget review meetings are held with the Village Board of Trustees in February.

Public hearings are conducted in November and December to obtain citizen comments on the Village Manager's proposed budget (May for Community Development Block Grant (CDBG) funds).

At the first Village Board of Trustees meeting in December, the Board of Trustees considers the proposed operating budget for the fiscal year commencing the following January 1 as approved by the Committee.

Prior to January 1, the budget, which by State law also serves as the appropriation ordinance, is adopted by the Board of Trustees and constitutes the legal budget of the Village.

The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, several budget amendments were completed.

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise (with the exception of the Lead Service Line Replacement Fund), Internal Service, and Pension Trust funds. All annual appropriations lapse at fiscal year end.

2. EXPENDITURES EXCEEDED BUDGET

During the year ended December 31, 2023, expenditures exceeded budget in the Criminal Investigations Fund by $27,356.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

BALANCE SHEET

December 31, 2023
(with comparative actual)

	2023	2022
ASSETS		
Cash and investments	$ 30,168,424	$ 38,187,776
Receivables (net, where applicable, of allowances for uncollectibles)		
Property taxes	26,436,343	30,315,549
Other taxes	7,370,192	7,352,746
Accrued interest	2,677	18,351
Leases	2,507,828	1,413,188
Other	1,626,664	1,747,065
Due from other funds	200,001	200,001
Prepaid items	220,881	88,783
Inventory	80,202	81,518
TOTAL ASSETS	$ 68,613,212	$ 79,404,977
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts payable	$ 1,248,213	$ 3,306,881
Accrued payroll	2,334,933	2,032,265
Deposits payable	1,952,556	2,540,597
Due to other funds	123,590	12,746,561
Unearned revenue	18,728	40,007
Total liabilities	5,678,020	20,666,311
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	26,095,000	24,830,000
Leases	2,684,871	1,389,773
Total deferred inflows of resources	28,779,871	26,219,773
Total liabilities and deferred inflows of resources	34,457,891	46,886,084
FUND BALANCES		
Nonspendable		
Prepaid items	220,881	88,783
Inventory	80,202	81,518
Unrestricted		
Assigned		
Disabled citizens programs	3,130	3,443
Emergency assistance programs	268,654	265,900
Senior center maintenance	255,000	272,000
Canine unit donation	127,793	127,793
TIF refund	350,000	150,000
Unassigned	32,849,661	31,529,456
Total fund balances	34,155,321	32,518,893
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 68,613,212	$ 79,404,977

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended December 31, 2023
(with comparative actual)

	2023			
	Original Budget	**Final Budget**	**Actual**	**2022 Actual**
TAXES				
Property taxes	$ 26,295,000	$ 26,295,000	$ 24,794,901	$ 26,031,815
Other taxes				
Hotel tax	750,000	750,000	917,624	937,369
Food/beverage tax	2,422,000	2,422,000	2,497,517	2,301,416
Sales tax - home rule	7,100,000	7,100,000	7,299,874	7,207,064
Telecommunications tax	1,544,000	1,544,000	1,683,886	1,651,598
Natural gas utility tax	2,100,000	2,100,000	1,907,702	2,118,406
Electric utility tax	2,900,000	2,900,000	2,671,955	2,803,493
Other taxes	30,000	30,000	44,862	40,442
Total other taxes	16,846,000	16,846,000	17,023,420	17,059,788
Total taxes	43,141,000	43,141,000	41,818,321	43,091,603
LICENSES AND PERMITS				
Business licenses	650,000	650,000	486,770	694,352
Liquor licenses	400,000	400,000	400,528	403,878
Vehicle licenses	1,400,000	1,400,000	284,072	1,305,356
Dog licenses	65,000	65,000	13,564	66,100
Public chauffeur licenses	100	100	-	40
Multi-dwelling licenses	80,000	80,000	16,684	60,831
Revenue suspense OL	-	-	128,691	18,774
Building permits	1,200,000	1,200,000	1,110,020	1,411,473
Electrical permits	115,000	115,000	87,683	102,275
Plumbing permits	80,000	80,000	72,337	76,025
Sign permits	12,000	12,000	10,480	14,320
Elevator permits	55,000	55,000	35,712	49,475
Occupancy permits	20,000	20,000	6,500	19,240
Driveway permits	1,000	1,000	-	187
Air conditioner permits	14,000	14,000	12,701	15,206
Swimming pool permits	2,000	2,000	187	4,094
Chimney permits	2,000	2,000	329	1,043
Wrecking permits	7,500	7,500	17,500	7,775
Other permits	2,000	2,000	722	2,260
Total licenses and permits	4,105,600	4,105,600	2,684,480	4,252,704
INTERGOVERNMENTAL				
Shared income tax	12,595,000	12,595,000	12,406,362	12,657,093
Municipal sales tax	16,661,000	16,661,000	15,414,286	15,993,182
State use tax	3,045,000	3,045,000	3,052,746	3,151,457
Replacement tax	1,600,000	1,600,000	1,394,467	1,652,822
Total intergovernmental	33,901,000	33,901,000	32,267,861	33,454,554

(This statement is continued on the following pages.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
GRANTS				
Training reimbursement	$ 50,000	$ 50,000	$ 83,794	$ 101,682
Task force reimbursement	25,000	25,000	19,841	14,852
Counselor in the park	23,000	23,000	11,199	4,500
Library services	138,000	138,000	138,000	135,000
Other grants	397,100	471,800	646,963	463,895
Total grants	633,100	707,800	899,797	719,929
CHARGES FOR SERVICES				
Escrow deposits	12,000	12,000	81,718	26,393
Guaranteed bonds	5,000	5,000	24,240	6,547
Total charges for services	17,000	17,000	105,958	32,940
FINES AND FEES				
Traffic court fines	300,000	300,000	131,778	137,900
Parking fines	206,000	206,000	488,808	601,988
Compliance ticket fines	3,000	3,000	12,550	45
Other fines	11,100	11,100	8,444	15,018
Cable franchise fees	1,400,000	1,400,000	1,245,263	1,334,718
Special PW detail fees	3,000	3,000	10,005	11,769
Plan commission hearings	20,000	20,000	30,125	14,710
Rezoning fees	10,000	10,000	9,580	6,840
Plan exam fees	100,000	100,000	83,944	105,375
Fire plan examination fees	42,000	42,000	50,045	79,903
Engineering service fees	160,000	160,000	79,888	369,890
Ambulance service fees	3,200,000	3,200,000	3,803,268	3,756,425
Special police detail	150,000	150,000	186,121	233,935
Police counselor fees	350,000	350,000	384,406	379,071
Police records fees	11,000	11,000	14,927	15,523
Special fire detail	25,000	25,000	37,525	40,744
False alarm fees	15,000	15,000	12,950	40,300
Chemical user fees	10,000	10,000	4,495	11,650
DUI administration charges	60,000	60,000	53,540	65,225
Health inspection fees	-	-	25	35
Weed cutting fees	5,000	5,000	15,165	13,558
Animal detention fees	-	-	75	125
Other fees	40,000	40,000	33,480	39,558
Total fines and fees	6,121,100	6,121,100	6,696,407	7,274,305
INVESTMENT INCOME	160,000	160,000	1,815,694	478,594

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
MISCELLANEOUS				
Damage claims	$ 32,000	$ 32,000	$ 35,862	$ 22,364
Equipment sales	5,000	5,000	1,979	9,825
Scrap sales	2,000	2,000	14,297	5,220
Sale of plans bid specs	1,000	1,000	-	-
Rents and concessions	-	-	53,476	23,612
Train station rents	136,000	136,000	28,986	4,605
Traffic signal maintenance	34,000	34,000	32,160	30,609
Hearts of gold awards	15,000	15,000	8,423	7,775
Premium sponsor	-	-	8,200	7,500
NWCH in lieu of property taxes	271,700	271,700	287,942	274,231
Senior center donations	2,000	2,000	7,348	1,815
Radon testing	-	-	40	10
Disabled citizen donations	500	500	878	1,331
Wellness programs	5,000	5,000	3,290	3,317
Wellness home visits	2,800	2,800	1,397	2,081
Emergency assistance	25,000	25,000	32,450	37,055
Bad debt recovery	10,000	10,000	16,072	14,228
Lease revenue	-	-	600	2,800
Lease right-to-use amortization	-	-	-	63,450
Other income	30,000	30,000	2,015,157	191,158
Total miscellaneous	572,000	572,000	2,548,557	702,986
TOTAL REVENUES	$ 88,650,800	$ 88,725,500	$ 88,837,075	$ 90,007,615

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Board of Trustees	$ 179,000	$ 179,000	$ 267,189	$ 158,096
Village Manager	1,237,700	1,237,700	1,221,381	1,082,189
Human resources	507,900	507,900	500,772	431,770
Legal	636,700	636,700	692,827	632,528
Finance	3,313,200	3,288,400	2,447,326	2,601,340
Boards and commissions	167,500	167,500	117,072	114,474
Total general government	6,042,000	6,017,200	5,246,567	5,020,397
PUBLIC SAFETY				
Police	28,925,500	29,033,503	28,498,392	29,356,761
Fire	25,572,100	25,618,872	25,994,791	26,760,115
Total public safety	54,497,600	54,652,375	54,493,183	56,116,876
HIGHWAYS AND STREETS				
Public works	15,405,800	15,553,360	14,541,173	13,473,529
COMMUNITY DEVELOPMENT				
Planning and community development	2,082,100	2,126,757	1,975,184	1,784,071
Building	3,090,300	3,090,300	2,825,820	2,795,152
Total community development	5,172,400	5,217,057	4,801,004	4,579,223
HEALTH AND WELFARE				
Senior services	692,500	692,500	652,540	620,985
Health services	1,853,900	1,936,300	1,791,384	1,735,977
Total health and welfare	2,546,400	2,628,800	2,443,924	2,356,962
DEBT SERVICE				
Principal retirement	-	-	27,997	-
Interest and fiscal charges	-	-	253	-
Total debt service	-	-	28,250	-
TOTAL EXPENDITURES	$ 83,664,200	$ 84,068,792	$ 81,554,101	$ 81,546,987

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
GENERAL GOVERNMENT				
Board of Trustees				
Salaries	$ 30,900	$ 30,900	$ 29,966	$ 28,100
Fringe benefits	3,400	3,400	3,293	3,222
Contractual services	143,000	143,000	232,531	125,321
Commodities	1,700	1,700	1,399	1,453
Total board of trustees	179,000	179,000	267,189	158,096
Integrated services				
Salaries	786,900	786,900	791,663	736,205
Fringe benefits	294,300	294,300	284,392	248,396
Contractual services	148,500	148,500	140,684	93,179
Commodities	8,000	8,000	4,642	4,409
Total integrated services	1,237,700	1,237,700	1,221,381	1,082,189
Human resources				
Salaries	317,700	317,700	325,725	275,788
Fringe benefits	102,400	102,400	101,543	92,712
Contractual services	62,300	62,300	52,962	48,885
Commodities	2,800	2,800	3,239	2,889
Other charges	22,700	22,700	17,303	11,496
Total human resources	507,900	507,900	500,772	431,770
Legal				
Salaries	137,500	137,500	21,726	136,720
Fringe benefits	75,500	75,500	56,325	92,052
Contractual services	414,600	414,600	614,301	399,190
Commodities	9,100	9,100	475	4,566
Total legal	636,700	636,700	692,827	632,528
Finance				
Salaries	1,058,300	1,058,300	1,052,947	985,467
Fringe benefits	478,400	478,400	463,371	430,506
Contractual services	361,900	361,900	368,854	405,214
Commodities	30,600	30,600	18,120	31,039
Other charges	1,384,000	1,359,200	544,034	749,114
Total finance	3,313,200	3,288,400	2,447,326	2,601,340
Boards and commissions				
Contractual services	105,500	105,500	91,962	98,929
Commodities	4,100	4,100	1,360	1,794
Other charges	57,900	57,900	23,750	13,751
Total boards and commissions	167,500	167,500	117,072	114,474
Total general government	6,042,000	6,017,200	5,246,567	5,020,397

(This statement is continued on the following pages.)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
PUBLIC SAFETY				
Police				
Salaries	$ 17,011,800	$ 17,011,800	$ 16,501,909	$ 15,654,718
Grant salaries	30,200	30,200	25,122	-
Fringe benefits	8,398,400	8,398,400	8,429,200	10,527,167
Contractual services	2,861,800	2,947,279	2,995,999	2,662,080
Commodities	623,300	645,824	546,162	512,796
Total police	28,925,500	29,033,503	28,498,392	29,356,761
Fire				
Salaries	14,029,100	14,029,100	14,445,450	13,732,593
Fringe benefits	9,009,300	9,009,300	9,120,328	10,549,799
Contractual services	2,145,500	2,171,755	2,097,886	2,130,141
Commodities	388,200	408,717	331,127	347,582
Total fire	25,572,100	25,618,872	25,994,791	26,760,115
Total public safety	54,497,600	54,652,375	54,493,183	56,116,876
HIGHWAYS AND STREETS				
Public works				
Salaries	6,264,800	6,264,800	5,925,319	5,819,387
Fringe benefits	2,884,800	2,884,800	2,752,135	2,712,899
Contractual services	4,584,900	4,708,697	4,510,563	3,450,655
Commodities	1,671,300	1,695,063	1,353,156	1,490,588
Total highways and streets	15,405,800	15,553,360	14,541,173	13,473,529
COMMUNITY DEVELOPMENT				
Planning and community development				
Salaries	1,249,100	1,249,100	1,172,045	1,159,151
Fringe benefits	525,400	525,400	495,770	442,990
Contractual services	152,700	167,549	159,526	118,722
Commodities	11,900	11,900	9,559	8,439
Other charges	143,000	172,808	138,284	54,769
Total planning and community development	2,082,100	2,126,757	1,975,184	1,784,071
Building services				
Salaries	1,930,900	1,930,900	1,784,939	1,712,924
Fringe benefits	756,500	756,500	716,112	750,598
Contractual services	369,400	369,400	298,435	304,298
Commodities	33,500	33,500	26,334	27,332
Total building services	3,090,300	3,090,300	2,825,820	2,795,152
Total community development	5,172,400	5,217,057	4,801,004	4,579,223

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
HEALTH AND WELFARE				
Senior services				
Salaries	$ 387,600	$ 387,600	$ 360,954	$ 350,178
Fringe benefits	157,100	157,100	149,740	146,654
Contractual services	119,400	119,400	114,578	99,010
Commodities	28,400	28,400	27,268	25,143
Total senior services	692,500	692,500	652,540	620,985
Health services				
Salaries	1,077,400	1,077,400	1,019,389	998,950
Fringe benefits	438,400	438,400	426,402	404,083
Contractual services	214,000	271,600	188,926	171,490
Commodities	48,100	72,900	76,972	42,618
Other charges	76,000	76,000	79,695	118,836
Total health services	1,853,900	1,936,300	1,791,384	1,735,977
Total health and welfare	2,546,400	2,628,800	2,443,924	2,356,962
DEBT SERVICE				
Principal retirement	-	-	27,997	-
Interest and fiscal charges	-	-	253	-
Total debt service	-	-	28,250	-
TOTAL EXPENDITURES	$ 83,664,200	$ 84,068,792	$ 81,554,101	$ 81,546,987

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

DEBT SERVICE FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Property taxes	$ 6,498,000	$ 6,498,000	$ 6,547,601	$ 6,466,213
Investment income	15,000	15,000	154,092	56,205
Miscellaneous	-	-	-	149,301
Total revenues	6,513,000	6,513,000	6,701,693	6,671,719
EXPENDITURES				
Debt service				
Principal retirement	5,220,000	5,220,000	5,220,000	5,335,000
Interest and fiscal charges	1,975,600	1,975,600	1,972,104	2,146,782
Total expenditures	7,195,600	7,195,600	7,192,104	7,481,782
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(682,600)	(682,600)	(490,411)	(810,063)
OTHER FINANCING SOURCES (USES)				
Transfers in	693,900	693,900	817,843	693,300
Total other financing sources (uses)	693,900	693,900	817,843	693,300
NET CHANGE IN FUND BALANCE	$ 11,300	$ 11,300	327,432	(116,763)
FUND BALANCE, JANUARY 1			1,820,239	1,937,002
FUND BALANCE, DECEMBER 31			$ 2,147,671	$ 1,820,239

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CAPITAL PROJECTS FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Taxes				
Property	$ 5,500,000	$ 5,500,000	$ 5,541,982	$ 5,223,755
Other	2,375,000	2,375,000	2,433,291	2,402,355
Grants	-	-	877,691	1,466,626
Investment income	80,000	80,000	1,373,881	411,908
Miscellaneous	819,000	819,000	151,867	303,735
Total revenues	8,774,000	8,774,000	10,378,712	9,808,379
EXPENDITURES				
Capital outlay				
Contractual services	150,000	150,000	9,111	30,567
Equipment	1,630,100	1,985,171	894,765	757,384
Construction	11,417,200	14,707,038	7,118,901	7,012,405
Other expenditures	-	-	-	500,000
Debt service				
Principal retirement	-	-	102,637	-
Interest and fiscal charges	-	-	52	-
Total expenditures	13,197,300	16,842,209	8,125,466	8,300,356
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,423,300)	(8,068,209)	2,253,246	1,508,023
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	300,000	400,000
Transfers (out)	-	-	-	(2,500,000)
Proceeds from SBITA issuance	-	-	6,011	-
Proceeds from sale of capital assets	-	-	7,601	-
Total other financing sources (uses)	300,000	300,000	313,612	(2,100,000)
NET CHANGE IN FUND BALANCE	$ (4,123,300)	$ (7,768,209)	2,566,858	(591,977)
FUND BALANCE, JANUARY 1			18,832,324	19,424,301
FUND BALANCE, DECEMBER 31			$ 21,399,182	$ 18,832,324

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2023

	Special Revenue Funds				
	Motor Fuel Tax	**Community Development Block Grant**	**Affordable Housing**	**Zero Interest Loan**	**Foreign Fire Insurance**
ASSETS					
Cash and investments	$ 7,024,393	$ 16,195	$ 1,066,916	$ 1,434,498	$ 578,476
Receivables					
Property taxes	-	-	-	-	-
Other taxes	303,167	-	-	-	-
CDBG rehabilitation loans	-	1,850,701	-	-	-
Grants	-	285,881	-	-	-
Other	-	-	-	89,224	-
Prepaid items	-	-	-	-	-
TOTAL ASSETS	$ 7,327,560	$ 2,152,777	$ 1,066,916	$ 1,523,722	$ 578,476
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 471,732	$ 99,184	$ -	$ -	$ 43,874
Accrued payroll	-	2,890	-	-	-
Due to other funds	-	200,002	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	471,732	302,076	-	-	43,874
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	1,850,701	-	89,224	-
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	1,850,701	-	89,224	-
Total liabilities and deferred inflows of resources	471,732	2,152,777	-	89,224	43,874
FUND BALANCES					
Nonspendable					
Prepaid items	-	-	-	-	-
Restricted					
Capital projects	-	-	-	-	-
Public safety	-	-	-	-	534,602
Highways and streets	6,855,828	-	-	-	-
Community development	-	-	1,066,916	1,434,498	-
Stormwater control	-	-	-	-	-
Unrestricted					
Assigned					
Public parking	-	-	-	-	-
Total fund balances	6,855,828	-	1,066,916	1,434,498	534,602
TOTAL LIABILITIES, DEFERRFED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 7,327,560	$ 2,152,777	$ 1,066,916	$ 1,523,722	$ 578,476

Special Revenue Funds					Capital Projects		
Criminal Investigations	TIF IV	TIF V	Hickory Kensington TIF	South Arlington Heights Road TIF	Municipal Parking Operations	Stormwater Control	Total
$ 1,656,878	$ 4,499,340	$ 3,715,436	$ 4,261,455	$ 1,988,946	$ 5,621,949	$ 4,308,725	$ 36,173,207
-	577,708	1,000,000	784,778	350,000	-	-	2,712,486
-	-	-	-	-	-	-	303,167
-	-	-	-	-	-	-	1,850,701
-	-	-	-	-	-	-	285,881
500	-	-	-	-	5,124	427,655	522,503
-	-	-	67,000	-	-	-	67,000
$ 1,657,378	$ 5,077,048	$ 4,715,436	$ 5,113,233	$ 2,338,946	$ 5,627,073	$ 4,736,380	$ 41,914,945
$ 10,761	$ -	$ 44,654	$ 161,136	$ 1,885	$ 610,541	$ 91,880	$ 1,535,647
-	-	-	-	-	6,268	-	9,158
-	-	-	-	-	-	-	200,002
-	-	-	-	-	8,360	-	8,360
10,761	-	44,654	161,136	1,885	625,169	91,880	1,753,167
-	-	-	-	-	-	-	1,939,925
-	571,800	1,000,000	775,000	350,000	-	-	2,696,800
-	571,800	1,000,000	775,000	350,000	-	-	4,636,725
10,761	571,800	1,044,654	936,136	351,885	625,169	91,880	6,389,892
-	-	-	67,000	-	-	-	67,000
-	-	-	-	-	-	587,252	587,252
1,646,617	-	-	-	-	-	-	2,181,219
-	-	-	-	-	-	-	6,855,828
-	4,505,248	3,670,782	4,110,097	1,987,061	-	-	16,774,602
-	-	-	-	-	-	4,057,248	4,057,248
-	-	-	-	-	5,001,904	-	5,001,904
1,646,617	4,505,248	3,670,782	4,177,097	1,987,061	5,001,904	4,644,500	35,525,053
$ 1,657,378	$ 5,077,048	$ 4,715,436	$ 5,113,233	$ 2,338,946	$ 5,627,073	$ 4,736,380	$ 41,914,945

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

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

For the Year Ended December 31, 2023

	Special Revenue				
	Motor Fuel Tax	**Community Development Block Grant**	**Affordable Housing**	**Zero Interest Loan**	**Foreign Fire Insurance**
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ 197,188
Intergovernmental	3,352,611	-	-	-	-
Grants	-	344,102	-	-	-
Charges for services	-	-	-	435,838	-
Investment income	73,494	-	40,545	51,336	21,188
Miscellaneous	-	20,929	105,755	-	-
Total revenues	3,426,105	365,031	146,300	487,174	218,376
EXPENDITURES					
Current					
General government	-	-	-	44,965	-
Public safety	-	-	-	-	243,034
Highways and streets	-	-	-	-	-
Community development	-	365,031	-	-	-
Capital outlay	4,223,483	-	-	-	-
Total expenditures	4,223,483	365,031	-	44,965	243,034
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(797,378)	-	146,300	442,209	(24,658)
OTHER FINANCING SOURCES (USES)					
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(797,378)	-	146,300	442,209	(24,658)
FUND BALANCES, JANUARY 1	7,653,206	-	920,616	992,289	559,260
FUND BALANCES, DECEMBER 31	$ 6,855,828	$ -	$ 1,066,916	$ 1,434,498	$ 534,602

Special Revenue					Capital Projects		
Criminal Investigations	TIF IV	TIF V	Hickory Kensington TIF	South Arlington Heights Road TIF	Municipal Parking Operations	Stormwater Control	Total
$ -	$ 541,524	$ 1,157,216	$ 892,893	$ 746,275	$ -	$ -	$ 3,535,096
547,437	-	-	-	-	-	231,602	4,131,650
-	-	-	-	-	-	-	344,102
-	-	-	-	-	985,405	1,638,853	3,060,096
46,308	168,963	166,396	173,882	64,571	343,328	184,899	1,334,910
-	-	-	-	-	16,340	-	143,024
593,745	710,487	1,323,612	1,066,775	810,846	1,345,073	2,055,354	12,548,878
-	-	-	-	-	-	-	44,965
433,547	-	-	-	-	-	-	676,581
-	-	-	-	-	1,201,107	-	1,201,107
-	23,593	230,975	20,577	26,597	-	-	666,773
-	-	1,251,604	954,873	42,767	1,404,103	1,151,622	9,028,452
433,547	23,593	1,482,579	975,450	69,364	2,605,210	1,151,622	11,617,878
160,198	686,894	(158,967)	91,325	741,482	(1,260,137)	903,732	931,000
-	-	-	-	-	-	(693,300)	(693,300)
-	-	-	-	-	-	(693,300)	(693,300)
160,198	686,894	(158,967)	91,325	741,482	(1,260,137)	210,432	237,700
1,486,419	3,818,354	3,829,749	4,085,772	1,245,579	6,262,041	4,434,068	35,287,353
$ 1,646,617	$ 4,505,248	$ 3,670,782	$ 4,177,097	$ 1,987,061	$ 5,001,904	$ 4,644,500	$ 35,525,053

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MOTOR FUEL TAX FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental				
Motor fuel tax revenues	$ 3,000,000	$ 3,000,000	$ 3,352,611	$ 3,060,150
Grants	-	-	-	1,649,817
Investment income	4,000	4,000	73,494	25,686
Total revenues	3,004,000	3,004,000	3,426,105	4,735,653
EXPENDITURES				
Capital outlay	3,919,100	5,754,028	4,223,483	2,689,659
Total expenditures	3,919,100	5,754,028	4,223,483	2,689,659
NET CHANGE IN FUND BALANCE	$ (915,100)	$ (2,750,028)	(797,378)	2,045,994
FUND BALANCE, JANUARY 1			7,653,206	5,607,212
FUND BALANCE, DECEMBER 31			$ 6,855,828	$ 7,653,206

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Intergovernmental				
Federal grants	$ 479,900	$ 479,900	$ 344,102	$ 369,611
Program income	50,000	50,000	20,929	58,557
Total revenues	529,900	529,900	365,031	428,168
EXPENDITURES				
Current				
Community development				
Planning and community development				
Salaries	62,300	62,300	59,902	64,300
CDBG program				
Other charges	467,600	467,600	305,129	363,868
Total expenditures	529,900	529,900	365,031	428,168
NET CHANGE IN FUND BALANCE	$ -	$ -	-	-
FUND BALANCE, JANUARY 1			-	-
FUND BALANCE, DECEMBER 31			$ -	$ -

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

AFFORDABLE HOUSING FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Investment income	$ -	$ -	$ 40,545	$ 11,523
Miscellaneous income	100,000	100,000	105,755	84,498
Total revenues	100,000	100,000	146,300	96,021
EXPENDITURES				
Health and welfare				
Contractual service	25,000	25,000	-	-
Total expenditures	25,000	25,000	-	-
NET CHANGE IN FUND BALANCE	$ 75,000	$ 75,000	146,300	96,021
FUND BALANCE, JANUARY 1			920,616	824,595
FUND BALANCE, DECEMBER 31			$ 1,066,916	$ 920,616

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ZERO INTEREST LOAN FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Loan repayments	$ 359,300	$ 359,300	$ 435,838	$ 114,545
Investment income	-	-	51,336	12,227
Total revenues	359,300	359,300	487,174	126,772
EXPENDITURES				
Current				
General Government				
Integrated services				
Contractual services	173,000	173,000	44,965	-
Total expenditures	173,000	173,000	44,965	-
NET CHANGE IN FUND BALANCE	$ 186,300	$ 186,300	442,209	126,772
FUND BALANCE, JANUARY 1			992,289	865,517
FUND BALANCE, DECEMBER 31			$ 1,434,498	$ 992,289

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FOREIGN FIRE INSURANCE FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			
	Original Budget	**Final Budget**	**Actual**	**2022 Actual**
REVENUES				
Foreign fire insurance tax	$ 130,000	$ 130,000	$ 197,188	$ 180,396
Investment income	2,500	2,500	21,188	6,933
Total revenues	132,500	132,500	218,376	187,329
EXPENDITURES				
Current				
Public safety				
Contractual	75,000	75,000	69,190	35,037
Commodities	175,000	175,000	173,844	129,764
Total expenditures	250,000	250,000	243,034	164,801
NET CHANGE IN FUND BALANCE	$ (117,500)	$ (117,500)	(24,658)	22,528
FUND BALANCE, JANUARY 1			559,260	536,732
FUND BALANCE, DECEMBER 31			$ 534,602	$ 559,260

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CRIMINAL INVESTIGATIONS FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Intergovernmental	$ 95,000	$ 95,000	$ 547,437	$ 360,492
Investment income	8,700	8,700	46,308	12,238
Total revenues	103,700	103,700	593,745	372,730
EXPENDITURES				
Current				
Public safety				
Other charges	210,900	406,191	433,547	177,243
Total expenditures	210,900	406,191	433,547	177,243
NET CHANGE IN FUND BALANCE	$ (107,200)	$ (302,491)	160,198	195,487
FUND BALANCE, JANUARY 1			1,486,419	1,290,932
FUND BALANCE, DECEMBER 31			$ 1,646,617	$ 1,486,419

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF IV FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Property taxes	$ 571,800	$ 571,800	$ 541,524	$ 531,829
Investment income	19,500	19,500	168,963	46,148
Total revenues	591,300	591,300	710,487	577,977
EXPENDITURES				
Current				
Community development				
Contractual services	50,000	55,008	23,193	41,235
Other expenditures	-	-	400	50,000
Capital outlay	3,477,000	3,477,000	-	4,307
Total expenditures	3,527,000	3,532,008	23,593	95,542
NET CHANGE IN FUND BALANCE	$ (2,935,700)	$ (2,940,708)	686,894	482,435
FUND BALANCE, JANUARY 1			3,818,354	3,335,919
FUND BALANCE, DECEMBER 31			$ 4,505,248	$ 3,818,354

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TIF V FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Property taxes	$ 738,100	$ 738,100	$ 1,157,216	$ 1,193,760
Investment income	8,100	8,100	166,396	41,887
Total revenues	746,200	746,200	1,323,612	1,235,647
EXPENDITURES				
Current				
Community development				
Contractual services	15,000	15,000	575	17,325
Other charges				
Administrative service charges	30,000	30,000	30,000	-
Economic development charges	-	-	400	-
Reserve for tax refunds	100,000	100,000	200,000	-
Capital outlay	1,721,000	1,808,958	1,251,604	1,354,511
Total expenditures	1,866,000	1,953,958	1,482,579	1,371,836
NET CHANGE IN FUND BALANCE	$ (1,119,800)	$ (1,207,758)	(158,967)	(136,189)
FUND BALANCE, JANUARY 1			3,829,749	3,965,938
FUND BALANCE, DECEMBER 31			$ 3,670,782	$ 3,829,749

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

HICKORY KENSINGTON TIF FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
REVENUES				
Property taxes	$ 650,000	$ 650,000	$ 892,893	$ 822,569
Investment income	10,000	10,000	173,882	48,278
Total revenues	660,000	660,000	1,066,775	870,847
EXPENDITURES				
Current				
Community development				
Contractual services	75,000	75,000	5,577	-
Other expenditures	15,000	15,000	15,000	15,000
Capital outlay	1,500,000	2,465,000	954,873	-
Total expenditures	1,590,000	2,555,000	975,450	15,000
NET CHANGE IN FUND BALANCE	$ (930,000)	$ (1,895,000)	91,325	855,847
FUND BALANCE, JANUARY 1			4,085,772	3,229,925
FUND BALANCE, DECEMBER 31			$ 4,177,097	$ 4,085,772

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SOUTH ARLINGTON HEIGHTS ROAD TIF

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Property taxes	$ 350,000	$ 350,000	$ 746,275	$ 804,276
Investment income	-	-	64,571	11,533
Total revenues	350,000	350,000	810,846	815,809
EXPENDITURES				
Current				
Community development				
Contractual services	100,000	100,000	11,597	34,818
Other charges	15,000	15,000	15,000	15,000
Capital outlay	100,000	101,701	42,767	57,381
Total expenditures	215,000	216,701	69,364	107,199
NET CHANGE IN FUND BALANCE	$ 135,000	$ 133,299	741,482	708,610
FUND BALANCE, JANUARY 1			1,245,579	536,969
FUND BALANCE, DECEMBER 31			$ 1,987,061	$ 1,245,579

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

MUNICIPAL PARKING OPERATIONS FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for services	$ 1,300,000	$ 1,300,000	$ 985,405	$ 752,040
Fines and forfeitures	-	-	-	543
Investment income	31,000	31,000	343,328	117,926
Miscellaneous	-	-	16,340	11,471
Total revenues	1,331,000	1,331,000	1,345,073	881,980
EXPENDITURES				
Current				
Highways and streets				
Personal services	538,000	538,000	463,551	484,221
Contractual services	392,700	402,799	365,794	242,607
Commodities	105,300	105,300	84,462	56,276
Other charges	287,300	287,300	287,300	287,300
Capital outlay	1,183,400	1,957,747	1,404,103	126,734
Total expenditures	2,506,700	3,291,146	2,605,210	1,197,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,175,700)	(1,960,146)	(1,260,137)	(315,158)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	500,000
Total other financing sources (uses)	-	-	-	500,000
NET CHANGE IN FUND BALANCE	$ (1,175,700)	$ (1,960,146)	(1,260,137)	184,842
FUND BALANCE, JANUARY 1			6,262,041	6,077,199
FUND BALANCE, DECEMBER 31			$ 5,001,904	$ 6,262,041

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

STORMWATER CONTROL FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Charges for services	$ 1,630,400	$ 1,630,400	$ 1,638,853	$ 1,641,041
Intergovernmental	845,000	845,000	231,602	768,398
Investment income	31,000	31,000	184,899	60,540
Total revenues	2,506,400	2,506,400	2,055,354	2,469,979
EXPENDITURES				
Capital outlay				
Contractual services	-	-	3,065	177
Capital outlay	2,210,000	3,128,409	1,148,557	3,254,147
Total expenditures	2,210,000	3,128,409	1,151,622	3,254,324
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	296,400	(622,009)	903,732	(784,345)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(693,900)	(693,900)	(693,300)	(693,300)
Total other financing sources (uses)	(693,900)	(693,900)	(693,300)	(693,300)
NET CHANGE IN FUND BALANCE	$ (397,500)	$ (1,315,909)	210,432	(1,477,645)
FUND BALANCE, JANUARY 1			4,434,068	5,911,713
FUND BALANCE, DECEMBER 31			$ 4,644,500	$ 4,434,068

(See independent auditor's report.)

PROPRIETARY FUNDS

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

Water and Sewer Fund

This fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and improvements.

Lead Service Line Replacement Fund

This fund is used to account for the costs from the state mandate eliminating all public lead water service lines by the year 2044.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

STATEMENT OF NET POSITION

December 31, 2023
(with comparative actual)

	2023	2022
CURRENT ASSETS		
Cash and investments	$ 11,175,851	$ 10,612,240
Receivables		
Customer accounts	3,516,935	3,491,152
Accrued interest	-	5,338
Prepaid expenses	896,803	7,600
Due from other funds	-	1,200,000
Inventory	2,439,486	468,383
Total current assets	18,029,075	15,784,713
NONCURRENT ASSETS		
Capital assets		
Nondepreciable capital assets	2,450,827	2,450,827
Depreciable capital assets	127,794,038	123,323,126
Accumulated depreciation	(86,185,904)	(84,344,054)
Net capital assets	44,058,961	41,429,899
Other assets		
Net pension asset - IMRF	-	3,419,794
Investment in joint venture	19,488,615	19,037,399
Total noncurrent assets	63,547,576	63,887,092
Total assets	81,576,651	79,671,805
DEFERRED OUTFLOWS OF RESOURCES		
Asset retirement obligation items	875,000	910,000
IMRF items	3,437,122	777,863
OPEB items	419,993	498,303
Total deferred outflows of resources	4,732,115	2,186,166
Total assets and deferred outflows of resources	86,308,766	81,857,971

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

STATEMENT OF NET POSITION (Continued)

December 31, 2023
(with comparative actual)

	2023	2022
CURRENT LIABILITIES		
Accounts payable	$ 2,279,090	$ 894,276
Accrued payroll	108,736	107,761
Compensated absences payable	49,478	39,703
Total OPEB liability	104,869	50,307
Total current liabilities	2,542,173	1,092,047
LONG-TERM LIABILITIES		
Compensated absences payable	197,911	158,813
Asset retirement obligations	1,050,000	1,050,000
Net pension liability - IMRF	3,821,210	-
Total OPEB liability	924,889	1,038,497
Total long-term liabilities	5,994,010	2,247,310
Total liabilities	8,536,183	3,339,357
DEFERRED INFLOWS OF RESOURCES		
IMRF items	64,024	4,632,041
OPEB items	77,162	97,635
Total deferred inflows of resources	141,186	4,729,676
Total liabilities and deferred inflows of resources	8,677,369	8,069,033
NET POSITION		
Net investment in capital assets	43,862,823	41,429,899
Unrestricted	33,768,574	32,359,039
TOTAL NET POSITION	$ 77,631,397	$ 73,788,938

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
OPERATING REVENUES				
Charges for services	$ 23,049,500	$ 23,049,500	$ 22,199,531	$ 21,161,257
Miscellaneous	61,000	61,000	965,942	416,379
Total operating revenues	23,110,500	23,110,500	23,165,473	21,577,636
OPERATING EXPENSES				
Personal services	7,397,900	7,397,900	6,967,350	5,589,691
Contractual services	2,919,600	2,975,724	2,944,281	2,825,377
Northwest Water Commission	4,303,200	4,303,200	4,319,242	4,177,840
Commodities	846,500	862,843	875,712	977,020
Charges for services	1,478,900	1,438,300	1,178,908	1,876,153
Other	9,934,100	13,345,005	2,320,012	1,268,692
Total operating expenses	26,880,200	30,322,972	18,605,505	16,714,773
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	(3,769,700)	(7,212,472)	4,559,968	4,862,863
Depreciation and amortization	-	-	1,876,850	1,815,743
Total depreciation and amortization	-	-	1,876,850	1,815,743
OPERATING INCOME (LOSS)	(3,769,700)	(7,212,472)	2,683,118	3,047,120
NON-OPERATING REVENUES (EXPENSES)				
Investment income	30,000	30,000	695,931	213,938
Increase in joint venture	328,600	328,600	451,216	862,798
Other income	22,000	22,000	12,194	32,750
Total non-operating revenues (expenses)	380,600	380,600	1,159,341	1,109,486
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(3,389,100)	(6,831,872)	3,842,459	4,156,606
TRANSFERS				
Transfers in	-	-	-	1,200,000
CONTRIBUTIONS	-	-	-	4,322,762
CHANGE IN NET POSITION	$ (3,389,100)	$ (6,831,872)	3,842,459	9,679,368
NET POSITION, JANUARY 1			73,788,938	64,109,570
NET POSITION, DECEMBER 31			$ 77,631,397	$ 73,788,938

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
BUDGETARY BASIS

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
PERSONAL SERVICES				
Finance				
Salaries	$ 582,600	$ 582,600	$ 565,883	$ 556,147
Overtime	500	500	7,239	-
Workers' compensation	1,400	1,400	1,400	1,400
Medical insurance	174,400	174,400	174,400	168,600
IMRF	66,700	66,700	60,497	63,417
FICA	36,100	36,100	33,583	32,307
Medicare	8,500	8,500	7,854	7,556
Water utility operations				
Salaries	4,030,200	4,030,200	3,930,691	3,810,976
Overtime	467,800	467,800	255,148	245,809
Workers' compensation	313,100	313,100	313,100	307,000
Medical insurance	845,500	845,500	845,500	857,000
IMRF	512,000	512,000	448,226	477,440
FICA	278,900	278,900	252,303	251,937
Medicare	65,200	65,200	59,007	59,024
Total personal services	7,382,900	7,382,900	6,954,831	6,838,613
CONTRACTUAL SERVICES				
Finance				
Other services	162,900	162,900	175,154	181,675
Travel and training	1,000	1,000	-	-
Postage	64,000	64,000	85,968	78,286
Printing	10,000	10,000	16,018	11,806
IT service charge	64,800	64,800	64,800	67,200
Water utility operations				
Professional services	85,800	123,030	139,658	92,794
General insurance	47,700	47,700	47,700	45,900
Equipment maintenance	50,000	54,598	29,553	54,854
Radio maintenance				
Building maintenance	10,000	15,850	5,850	3,226
Pumping station maintenance	18,900	18,900	24,490	7,238
Sewer collection system	54,700	54,700	51,687	44,158
Water distribution system	524,800	524,800	398,549	482,116
Meter installation	337,000	345,446	372,935	217,906
Equipment rental	163,000	163,000	142,384	213,156
Utility services	296,000	296,000	368,669	361,268
Disposal services	38,000	38,000	33,060	45,643

(This statement is continued on the following pages.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
BUDGETARY BASIS

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
CONTRACTUAL SERVICES (Continued)				
Water utility operations (Continued)				
Other services	$ 79,900	$ 79,900	$ 67,064	$ 64,230
Dues	5,000	5,000	4,493	5,289
Travel and training	25,800	25,800	29,145	16,423
Postage	2,000	2,000	8,335	2,070
Printing	3,800	3,800	2,677	1,232
Annual consumer report	1,500	1,500	-	985
Service charge	235,000	235,000	235,000	192,600
Claims and refunds	10,000	10,000	23,623	8,666
Vehicle/equipment lease charge	562,600	562,600	562,600	567,400
Telephone services	65,400	65,400	54,869	59,256
Total contractual services	2,919,600	2,975,724	2,944,281	2,825,377
NORTHWEST WATER COMMISSION	4,303,200	4,303,200	4,319,242	4,177,840
COMMODITIES				
Finance				
Office supplies and equipment	100	100	-	12
Water utility operations				
Publications and periodicals	500	500	-	-
Office supplies and equipment	5,200	5,200	2,831	5,373
Data system supplies	7,200	7,200	3,295	920
Clothing	26,000	26,000	14,702	23,845
Petroleum products	133,300	133,300	93,008	122,139
Water distribution supplies	171,000	171,000	179,166	141,616
Meter/backflow devices	181,000	197,343	301,309	337,329
Pumping and storage supplies	25,000	25,000	17,444	23,576
Sewer collection supplies	38,000	38,000	11,919	27,892
Agricultural supplies	10,000	10,000	22,647	12,262
Building supplies	13,500	13,500	17,281	12,783
Chemicals	12,200	12,200	20,824	13,074
Other equipment and supplies	83,000	83,000	80,042	106,468
Small tools and equipment	15,500	15,500	11,706	12,890
Street and sidewalk supplies	125,000	125,000	98,963	136,841
Other supplies	-	-	575	-
Total commodities	846,500	862,843	875,712	977,020

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
BUDGETARY BASIS

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
CHARGES FOR SERVICES				
Water utility operations				
Administrative service charge	$ 1,178,900	$ 1,178,900	$ 1,178,900	$ 1,876,100
Operating contingency	300,000	259,400	-	-
Other	-	-	8	53
Total charges for services	1,478,900	1,438,300	1,178,908	1,876,153
OTHER				
Capital outlay				
Water utility operations				
Office equipment	15,000	15,000	2,428	13,881
Other equipment	792,700	844,384	171,413	295,482
Building improvements	29,000	43,100	1,069	4,772
Construction in progress	9,097,400	12,442,521	6,616,014	4,791,437
Total other	9,934,100	13,345,005	6,790,924	5,105,572
TOTAL OPERATIONS	26,865,200	30,307,972	23,063,898	21,800,575
ADJUSTMENTS TO GAAP BASIS				
Assets capitalized	-	-	(4,470,912)	(3,836,880)
Pension expense	-	-	13,728	(1,239,719)
OPEB expense	15,000	15,000	(1,209)	(9,203)
Total adjustments to GAAP Basis	15,000	15,000	(4,458,393)	(5,085,802)
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION - GAAP BASIS	$ 26,880,200	$ 30,322,972	$ 18,605,505	$ 16,714,773

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LEAD SERVICE LINE REPLACEMENT FUND

STATEMENT OF NET POSITION

December 31, 2023
(with comparative actual)

	2023	2022
CURRENT ASSETS		
Cash and investments	$ 13,569,430	$ 4,053,447
Receivables		
Accrued interest	-	2,042
Due from other funds	-	3,000,000
Total current assets	13,569,430	7,055,489
Total assets	13,569,430	7,055,489
DEFERRED OUTFLOWS OF RESOURCES		
None	-	-
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	13,569,430	7,055,489
CURRENT LIABILITIES		
Accounts payable	411,694	-
Total current liabilities	411,694	-
Total liabilities	411,694	-
DEFERRED INFLOWS OF RESOURCES		
None	-	-
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	411,694	-
NET POSITION		
Unrestricted	13,157,736	7,055,489
TOTAL NET POSITION	$ 13,157,736	$ 7,055,489

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LEAD SERVICE LINE REPLACEMENT FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			
	Original Budget	**Final Budget**	**Actual**	**2022 Actual**
OPERATING REVENUES				
None	$ -	$ -	$ -	$ -
Total operating revenue	-	-	-	-
OPERATING EXPENSES				
Operations				
Capital outlay	4,000,000	4,000,000	570,812	-
Total operating expenses	4,000,000	4,000,000	570,812	-
OPERATING INCOME (LOSS)	(4,000,000)	(4,000,000)	(570,812)	-
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	166,259	55,489
Intergovernmental	-	-	756,800	-
Total non-operating revenues (expenses)	-	-	923,059	55,489
INCOME (LOSS) BEFORE TRANSFERS	(4,000,000)	(4,000,000)	352,247	55,489
TRANSFERS				
Transfers in	-	5,750,000	5,750,000	3,000,000
Total transfers	-	5,750,000	5,750,000	3,000,000
CHANGE IN NET POSITION	$ (4,000,000)	$ 1,750,000	6,102,247	3,055,489
NET POSITION, JANUARY 1			7,055,489	4,000,000
NET POSITION, DECEMBER 31			$ 13,157,736	$ 7,055,489

NONMAJOR ENTERPRISE FUNDS

Solid Waste Disposal Fund - to account for all provision of solid waste disposal services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service billing and collection.

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2023

	Solid Waste Disposal	Arts, Entertainment, and Events	Total
CURRENT ASSETS			
Cash and investments	$ 2,918,654	$ 1,568,452	$ 4,487,106
Receivables			
Customer accounts	136,558	103,136	239,694
Prepaid expenses	291,260	3,568	294,828
Total current assets	3,346,472	1,675,156	5,021,628
CAPITAL ASSETS			
Nondepreciable capital assets	-	475,200	475,200
Depreciable capital assets	-	2,468,354	2,468,354
Accumulated depreciation	-	(1,310,907)	(1,310,907)
Net capital assets	-	1,632,647	1,632,647
Total assets	3,346,472	3,307,803	6,654,275
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	3,346,472	3,307,803	6,654,275
CURRENT LIABILITIES			
Accounts payable	8,630	10,901	19,531
Total liabilities	8,630	10,901	19,531
NET POSITION			
Net investment in capital assets	-	1,632,647	1,632,647
Unrestricted	3,337,842	1,664,255	5,002,097
TOTAL NET POSITION	$ 3,337,842	$ 3,296,902	$ 6,634,744

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

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

For the Year Ended December 31, 2023

	Solid Waste Disposal	Arts, Entertainment, and Events	Total
OPERATING REVENUES			
Charges for services	$ 2,122,314	$ 129,354	$ 2,251,668
Total operating revenues	2,122,314	129,354	2,251,668
OPERATING EXPENSES			
Operations	1,830,568	1,270,551	3,101,119
Depreciation	-	57,873	57,873
Total operating expenses	1,830,568	1,328,424	3,158,992
OPERATING INCOME (LOSS)	291,746	(1,199,070)	(907,324)
NON-OPERATING REVENUES (EXPENSES)			
Investment income	17,494	75,988	93,482
Food and beverage tax	-	1,033,326	1,033,326
Intergovernmental	-	-	-
Other income	3,250	4,353	7,603
Total non-operating revenues (expenses)	20,744	1,113,667	1,134,411
INCOME (LOSS) BEFORE TRANSFERS	312,490	(85,403)	227,087
TRANSFERS			
Transfers (out)	(500,000)	-	(500,000)
Total transfers	(500,000)	-	(500,000)
CHANGE IN NET POSITION	(187,510)	(85,403)	(272,913)
NET POSITION, JANUARY 1	3,525,352	3,382,305	6,907,657
NET POSITION, DECEMBER 31	$ 3,337,842	$ 3,296,902	$ 6,634,744

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	Solid Waste Disposal	Arts, Entertainment, and Events	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 2,124,217	$ 118,706	$ 2,242,923
Payments to suppliers	(2,009,416)	(1,030,870)	(3,040,286)
Payments to employees	-	(254,421)	(254,421)
Net cash from operating activities	114,801	(1,166,585)	(1,051,784)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (out)	(500,000)	-	(500,000)
Intergovernmental	-	-	-
Food and beverage tax receipts	-	1,033,326	1,033,326
Net cash from noncapital financing activities	(500,000)	1,033,326	533,326
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
None	-	-	-
Net cash from capital and related financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	19,149	76,918	96,067
Net cash from investing activities	19,149	76,918	96,067
NET DECREASE IN CASH AND CASH EQUIVALENTS	(366,050)	(56,341)	(422,391)
CASH AND CASH EQUIVALENTS, JANUARY 1	3,284,704	1,624,793	4,909,497
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 2,918,654	$ 1,568,452	$ 4,487,106
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	$ 291,746	$ (1,199,070)	$ (907,324)
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	-	57,873	57,873
Other income	3,250	4,353	7,603
Change in assets and liabilities			
Receivables	(1,347)	(15,001)	(16,348)
Prepaid expenses	(156,067)	(3,568)	(159,635)
Accounts payable	(22,781)	(11,172)	(33,953)
NET CASH FROM OPERATING ACTIVITIES	$ 114,801	$ (1,166,585)	$ (1,051,784)

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SOLID WASTE DISPOSAL FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
OPERATING REVENUES				
Charges for services	$ 1,945,000	$ 1,945,000	$ 2,122,314	$ 1,970,484
Total operating revenues	1,945,000	1,945,000	2,122,314	1,970,484
OPERATING EXPENSES				
Operations	1,737,100	1,737,100	1,830,568	1,659,483
Total operating expenses	1,737,100	1,737,100	1,830,568	1,659,483
OPERATING INCOME	207,900	207,900	291,746	311,001
NON-OPERATING REVENUES (EXPENSES)				
Investment income	-	-	17,494	43,971
Other income	-	-	3,250	-
Total non-operating revenues (expenses)	-	-	20,744	43,971
INCOME BEFORE TRANSFERS	207,900	207,900	312,490	354,972
TRANSFERS				
Transfers (out)	(500,000)	(500,000)	(500,000)	(500,000)
Total transfers	(500,000)	(500,000)	(500,000)	(500,000)
CHANGE IN NET POSITION	$ (292,100)	$ (292,100)	(187,510)	(145,028)
NET POSITION, JANUARY 1			3,525,352	3,670,380
NET POSITION, DECEMBER 31			$ 3,337,842	$ 3,525,352

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ARTS, ENTERTAINMENT, AND EVENTS FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
OPERATING REVENUES				
Special events	$ 22,500	$ 22,500	$ 22,600	$ 24,800
Fines and fees	114,700	114,700	106,754	134,912
Total operating revenue	137,200	137,200	129,354	159,712
OPERATING EXPENSES				
Operations				
Personal services	257,500	257,500	254,421	221,300
Contractual	629,000	643,000	689,020	493,156
Commodities	130,800	130,800	116,411	103,249
Capital outlay	114,000	211,047	210,699	69,251
Depreciation	-	-	57,873	60,673
Total operating expenses	1,131,300	1,242,347	1,328,424	947,629
OPERATING INCOME (LOSS)	(994,100)	(1,105,147)	(1,199,070)	(787,917)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	4,500	4,500	75,988	22,414
Food and beverage tax	965,000	965,000	1,033,326	977,357
Other income	-	-	4,353	50
Total non-operating revenues (expenses)	969,500	969,500	1,113,667	999,821
INCOME (LOSS) BEFORE TRANSFERS	(24,600)	(135,647)	(85,403)	211,904
TRANSFERS				
Transfers in	73,000	73,000	-	-
Total transfers	73,000	73,000	-	-
CHANGE IN NET POSITION	$ 48,400	$ (62,647)	(85,403)	211,904
NET POSITION, JANUARY 1			3,382,305	3,170,401
NET POSITION, DECEMBER 31			$ 3,296,902	$ 3,382,305

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

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

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

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

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION

December 31, 2023

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
CURRENT ASSETS						
Cash and investments	$ 6,043,416	$ 6,041,816	$ 5,934,338	$ 4,463,996	$ 15,786,432	$ 38,269,998
Receivables						
Accrued interest	-	-	-	-	-	-
Other	1,227	91,156	364,622	-	-	457,005
Prepaid items	21,282	-	-	-	798,452	819,734
Due from other funds	-	-	-	-	-	-
Inventory	-	-	-	-	306,485	306,485
Total current assets	6,065,925	6,132,972	6,298,960	4,463,996	16,891,369	39,853,222
CAPITAL ASSETS						
Depreciable and amortizable capital assets	-	-	-	1,254,140	24,114,807	25,368,947
Accumulated depreciation and amortization	-	-	-	601,987	(17,071,420)	(16,469,433)
Net capital assets	-	-	-	1,856,127	7,043,387	8,899,514
Total assets	6,065,925	6,132,972	6,298,960	6,320,123	23,934,756	48,752,736
DEFERRED OUTFLOWS OF RESOURCES						
OPEB items	26,300	-	8,915	26,398	14,143	75,756
Total deferred outflows of resources	26,300	-	8,915	26,398	14,143	75,756
Total assets and deferred outflows of resources	6,092,225	6,132,972	6,307,875	6,346,521	23,948,899	48,828,492

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION (Continued)

December 31, 2023

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
CURRENT LIABILITIES						
Accounts payable	$ 594,484	$ 40,215	$ 189,890	$ 310,064	$ 52,323	$ 1,186,976
Accrued payroll	4,032	-	2,404	14,103	24,837	45,376
Claims payable	1,597,141	2,943	51,750	-	-	1,651,834
Unearned revenue	-	91,156	364,622	-	-	455,778
Compensated absences payable	1,805	-	417	8,513	14,385	25,120
SBITAs payable	-	-	-	428,860	-	428,860
Total OPEB liability	2,147	-	1,393	5,609	16,625	25,774
Total current liabilities	2,199,609	134,314	610,476	767,149	108,170	3,819,718
LONG-TERM LIABILITIES						
Compensated absences payable	7,221	-	1,670	34,051	57,538	100,480
SBITAs payable	-	-	-	865,944	-	865,944
Total OPEB liability	18,937	-	12,284	49,473	146,620	227,314
Total long-term liabilities	26,158	-	13,954	949,468	204,158	1,193,738
Total liabilities	2,225,767	134,314	624,430	1,716,617	312,328	5,013,456
DEFERRED INFLOWS OF RESOURCES						
OPEB items	5,899	-	3,754	20,251	19,195	49,099
Total deferred inflows of resources	5,899	-	3,754	20,251	19,195	49,099
Total liabilities and deferred inflows of resources	2,231,666	134,314	628,184	1,736,868	331,523	5,062,555
NET POSITION						
Net investment in capital assets	-	-	-	1,856,127	7,043,387	8,899,514
Unrestricted	3,860,559	5,998,658	5,679,691	2,753,526	16,573,989	34,866,423
TOTAL NET POSITION	$ 3,860,559	$ 5,998,658	$ 5,679,691	$ 4,609,653	$ 23,617,376	$ 43,765,937

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

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

For the Year Ended December 31, 2023

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
OPERATING REVENUES						
Charges for services	$ 11,412,500	$ 609,300	$ 2,564,900	$ 2,418,700	$ 4,141,900	$ 21,147,300
Contributions	3,897,378	-	-	-	-	3,897,378
Fines	-	-	-	-	28,364	28,364
Miscellaneous	-	-	-	-	229,179	229,179
Total operating revenues	15,309,878	609,300	2,564,900	2,418,700	4,399,443	25,302,221
OPERATING EXPENSES						
Personal services	178,140	-	137,033	998,968	1,669,960	2,984,101
Contractual services	5,082,830	323,500	1,331,928	943,618	282,016	7,963,892
Commodities	500	-	995	89,776	588,317	679,588
Insurance claims	11,121,362	144,782	1,166,599	-	-	12,432,743
Supplies	-	-	-	15,073	-	15,073
Total operating expenses	16,382,832	468,282	2,636,555	2,047,435	2,540,293	24,075,397
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,072,954)	141,018	(71,655)	371,265	1,859,150	1,226,824
Depreciation and amortization	-	-	-	601,987	1,359,955	1,961,942
OPERATING INCOME (LOSS)	(1,072,954)	141,018	(71,655)	(230,722)	499,195	(735,118)
NON-OPERATING REVENUES (EXPENSES)						
Investment income	241,541	217,951	211,007	186,813	536,887	1,394,199
Reimbursements	-	-	65,415	-	-	65,415
Interest expense and fiscal charges	-	-	-	(14,369)	-	(14,369)
Gain (loss) on sale of capital assets	-	-	-	-	(1,898)	(1,898)
Other income	2,964	1,135,900	16,282	15,597	193,351	1,364,094
Total non-operating revenues (expenses)	244,505	1,353,851	292,704	188,041	728,340	2,807,441
CHANGE IN NET POSITION	(828,449)	1,494,869	221,049	(42,681)	1,227,535	2,072,323
NET POSITION, JANUARY 1	4,689,008	4,503,789	5,458,642	4,652,334	22,389,841	41,693,614
NET POSITION, DECEMBER 31	$ 3,860,559	$ 5,998,658	$ 5,679,691	$ 4,609,653	$ 23,617,376	$ 43,765,937

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 3,900,342	$ -	$ -	-	-	$ 3,900,342
Receipts from interfund services	11,412,500	1,747,805	2,657,016	2,434,297	4,592,794	22,844,412
Payments to suppliers	(15,848,824)	(463,347)	(2,435,734)	(901,395)	(1,225,587)	(20,874,887)
Payments to employees	(173,314)	-	(147,813)	(986,832)	(1,656,757)	(2,964,716)
Net cash from operating activities	(709,296)	1,284,458	73,469	546,070	1,710,450	2,905,151
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due from other funds	-	-	-	-	2,000,000	2,000,000
Net cash from noncapital financing activities	-	-	-	-	2,000,000	2,000,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets purchased	-	-	-	-	(1,583,740)	(1,583,740)
SBITA principal payments	-	-	-	(1,163,310)	-	(1,163,310)
SBITA interest payments	-	-	-	(14,369)	-	(14,369)
Net cash from capital and related financing activities	-	-	-	(1,177,679)	(1,583,740)	(2,761,419)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	244,824	220,237	213,834	189,303	543,483	1,411,681
Net cash from investing activities	244,824	220,237	213,834	189,303	543,483	1,411,681
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(464,472)	1,504,695	287,303	(442,306)	2,670,193	3,555,413
CASH AND CASH EQUIVALENTS, JANUARY 1	6,507,888	4,537,121	5,647,035	4,906,302	13,116,239	34,714,585
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 6,043,416	$ 6,041,816	$ 5,934,338	4,463,996	15,786,432	$ 38,269,998

(This statement is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)

For the Year Ended December 31, 2023

	Health and Life Insurance	General Liability Insurance	Workers' Compensation	Technology	Fleet Operations	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	$ (1,072,954)	$ 141,018	$ (71,655)	$ (230,722)	$ 499,195	$ (735,118)
Depreciation	-	-	-	601,987	1,359,955	1,961,942
Other income	2,964	1,135,900	81,697	15,597	193,351	1,429,509
Adjustments to reconcile operating income (loss) to net cash from operating activities						
Change in assets and liabilities						
Inventories	-	-	-	-	(13,521)	(13,521)
Accounts receivable	(1,227)	(2,605)	(10,419)	-	-	(14,251)
Prepaid expenses	(21,282)	-	-	18,590	(7,000)	(9,692)
Accounts payable	195,615	11,900	77,953	128,482	(334,733)	79,217
Accrued payroll	1,478	-	(73)	67	409	1,881
Unearned revenue	-	2,605	10,419	-	-	13,024
Compensated absences payable	3,667	-	(12,537)	3,519	52	(5,299)
OPEB items	(319)	-	1,830	8,550	12,742	22,803
Claims payable	182,762	(4,360)	(3,746)	-	-	174,656
NET CASH FROM OPERATING ACTIVITIES	$ (709,296)	$ 1,284,458	$ 73,469	546,070	1,710,450	$ 2,905,151

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

HEALTH AND LIFE INSURANCE FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	**Final Budget**	**Actual**	**Actual**
OPERATING REVENUES				
Charges for services	$ 11,412,500	$ 11,412,500	$ 11,412,500	$ 11,018,900
Contributions	3,298,500	3,298,500	3,897,378	2,705,621
Total operating revenues	14,711,000	14,711,000	15,309,878	13,724,521
OPERATING EXPENSES				
Personal services	573,200	573,200	178,140	165,710
Contractual services	5,565,200	5,565,200	5,082,830	5,267,005
Commodities	500	500	500	500
Insurance claims	8,458,000	8,458,000	11,121,362	8,291,924
Total operating expenses	14,596,900	14,596,900	16,382,832	13,725,139
OPERATING INCOME (LOSS)	114,100	114,100	(1,072,954)	(618)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	22,000	22,000	241,541	82,239
Other income	-	-	2,964	1,930
Total non-operating revenues (expenses)	22,000	22,000	244,505	84,169
CHANGE IN NET POSITION	$ 136,100	$ 136,100	(828,449)	83,551
NET POSITION, JANUARY 1			4,689,008	4,605,457
NET POSITION, DECEMBER 31			$ 3,860,559	$ 4,689,008

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

GENERAL LIABILITY INSURANCE FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	$ 609,300	$ 609,300	$ 609,300	$ 601,800
Total operating revenues	609,300	609,300	609,300	601,800
OPERATING EXPENSES				
Contractual services	321,000	321,000	323,500	378,476
Insurance claims	300,000	300,000	144,782	185,771
Total operating expenses	621,000	621,000	468,282	564,247
OPERATING INCOME (LOSS)	(11,700)	(11,700)	141,018	37,553
NON-OPERATING REVENUES (EXPENSES)				
Investment income	24,000	24,000	217,951	57,412
Other	-	-	1,135,900	10,329
Total non-operating revenues (expenses)	24,000	24,000	1,353,851	67,741
CHANGE IN NET POSITION	$ 12,300	$ 12,300	1,494,869	105,294
NET POSITION, JANUARY 1			4,503,789	4,398,495
NET POSITION, DECEMBER 31			$ 5,998,658	$ 4,503,789

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

WORKERS' COMPENSATION FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
OPERATING REVENUES				
Charges for services	$ 2,564,900	$ 2,564,900	$ 2,564,900	$ 2,514,800
Total operating revenues	2,564,900	2,564,900	2,564,900	2,514,800
OPERATING EXPENSES				
Personal services	194,600	194,600	137,033	163,920
Contractual services	1,318,600	1,318,600	1,331,928	1,167,002
Commodities	1,600	1,600	995	1,014
Insurance claims	1,450,000	1,450,000	1,166,599	1,107,429
Total operating expenses	2,964,800	2,964,800	2,636,555	2,439,365
OPERATING INCOME (LOSS)	(399,900)	(399,900)	(71,655)	75,435
NON-OPERATING REVENUES (EXPENSES)				
Investment income	24,000	24,000	211,007	68,964
Reimbursements	-	-	65,415	-
Other	-	-	16,282	163,029
Total non-operating revenues (expenses)	24,000	24,000	292,704	231,993
CHANGE IN NET POSITION	$ (375,900)	$ (375,900)	221,049	307,428
NET POSITION, JANUARY 1			5,458,642	5,151,214
NET POSITION, DECEMBER 31			$ 5,679,691	$ 5,458,642

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

TECHNOLOGY FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
OPERATING REVENUES				
Charges for services	$ 2,418,700	$ 2,418,700	$ 2,418,700	$ 2,334,200
Total operating revenues	2,418,700	2,418,700	2,418,700	2,334,200
OPERATING EXPENSES				
Operations				
Personal services	1,013,800	1,013,800	998,968	908,179
Contractual services	1,270,400	1,284,400	943,618	681,100
Commodities	89,200	89,200	89,776	105,298
Capital outlay	291,800	2,792,381	15,073	905,778
Total operating expenses	2,665,200	5,179,781	2,047,435	2,600,355
OPERATING INCOME (LOSS) BEFORE AMORTIZATION	(246,500)	(2,761,081)	371,265	(266,155)
Amortization	-	-	601,987	-
OPERATING INCOME (LOSS)	(246,500)	(2,761,081)	(230,722)	(266,155)
NON-OPERATING REVENUES (EXPENSES)				
Investment income	6,000	6,000	186,813	64,939
Interest expense and fiscal charges	-	-	(14,369)	-
Other income	-	-	15,597	8,756
Total non-operating revenues (expenses)	6,000	6,000	188,041	73,695
CHANGE IN NET POSITION	$ (240,500)	$ (2,755,081)	(42,681)	(192,460)
NET POSITION, JANUARY 1			4,652,334	4,844,794
NET POSITION, DECEMBER 31			$ 4,609,653	$ 4,652,334

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

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

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for services	$ 4,101,900	$ 4,101,900	$ 4,141,900	$ 3,773,748
Fines	-	-	28,364	15,371
Miscellaneous	130,000	130,000	229,179	218,792
Total operating revenues	4,231,900	4,231,900	4,399,443	4,007,911
OPERATING EXPENSES				
Personal services	1,739,000	1,739,000	1,669,960	1,598,060
Contractual services	395,100	408,700	282,016	356,877
Commodities	530,000	530,000	588,317	546,226
Capital outlay	4,000,100	6,265,050	-	-
Total operating expenses	6,664,200	8,942,750	2,540,293	2,501,163
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(2,432,300)	(4,710,850)	1,859,150	1,506,748
Depreciation	-	-	1,359,955	1,343,901
OPERATING INCOME (LOSS)	(2,432,300)	(4,710,850)	499,195	162,847
NON-OPERATING REVENUES (EXPENSES)				
Investment income	54,000	54,000	536,887	163,980
Gain (loss) on sale of capital assets	-	-	(1,898)	-
Other income	-	-	193,351	6,828
Total non-operating revenues (expenses)	54,000	54,000	728,340	170,808
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,378,300)	(4,656,850)	1,227,535	333,655
CONTRIBUTIONS	-	-	-	-
TRANSFERS				
Transfers in	-	-	-	4,500,000
Total transfers	-	-	-	4,500,000
CHANGE IN NET POSITION	$ (2,378,300)	$ (4,656,850)	1,227,535	4,833,655
NET POSITION, JANUARY 1			22,389,841	17,556,186
NET POSITION, DECEMBER 31			$ 23,617,376	$ 22,389,841

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

For the Year Ended December 31, 2023
(with comparative actual)

	2023			
	Original Budget	**Final Budget**	**Actual**	**2022 Actual**
PERSONAL SERVICES				
Salaries	$ 1,134,300	$ 1,134,300	$ 1,073,617	$ 1,070,860
Overtime	63,800	63,800	72,895	40,883
Workers' compensation	60,200	60,200	60,200	59,000
Medical insurance	251,900	251,900	251,900	212,900
IMRF	132,100	132,100	116,138	122,664
Social Security	74,300	74,300	66,837	65,897
Medicare	17,400	17,400	15,631	15,411
OPEB expense	5,000	5,000	12,742	10,445
Total personal services	1,739,000	1,739,000	1,669,960	1,598,060
CONTRACTUAL SERVICES				
Equipment maintenance	27,200	40,800	37,000	32,380
Vehicle equipment maintenance	260,000	260,000	130,535	225,191
Vehicle damage	35,000	35,000	43,450	32,847
Equipment rental	2,500	2,500	1,532	2,064
Disposal services	2,000	2,000	1,177	1,854
Other services	-	-	53	-
Dues	1,700	1,700	1,157	1,373
Travel and training	6,000	6,000	7,032	6,879
Postage	300	300	80	89
Printing	400	400	-	-
IT/GIS service charge	45,900	45,900	45,900	40,000
Vehicle and equipment lease charge	14,100	14,100	14,100	14,200
Total contractual services	395,100	408,700	282,016	356,877

(This schedule is continued on the following page.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FLEET OPERATIONS FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended December 31, 2023
(with comparative actual)

	2023			
	Original Budget	**Final Budget**	**Actual**	**2022 Actual**
COMMODITIES				
Publications and periodicals	$ 100	$ 100	$ 275	$ 40
Office supplies and equipment	500	500	284	519
Clothing	6,700	6,700	6,405	6,433
Petroleum products	4,000	4,000	1,010	3,361
Non Village fuel resale	200,000	200,000	104,101	130,684
Vehicle maintenance supplies	300,000	300,000	453,158	383,537
Other equipment and supplies	14,500	14,500	17,430	16,843
Small tools and equipment	4,200	4,200	5,654	4,801
Other supplies	-	-	-	8
Total commodities	530,000	530,000	588,317	546,226
CAPITAL OUTLAY	3,970,100	6,256,050	1,583,740	619,188
TOTAL OPERATIONS	$ 6,634,200	$ 8,933,750	4,124,033	3,120,351
ADJUSTMENTS TO GAAP BASIS				
Assets capitalized			(1,583,740)	(619,188)
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION - GAAP BASIS			$ 2,540,293	$ 2,501,163

FIDUCIARY FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF FIDUCIARY NET POSITION

December 31, 2023

	Pension Trust		
	Police Pension	**Firefighters' Pension**	**Total**
ASSETS			
Cash and cash equivalents	$ 9,784,836	$ 5,134,988	$ 14,919,824
Investments			
U.S. Government and agency obligations	36,803,493	-	36,803,493
Equity securities	42,197,480	-	42,197,480
Mutual funds	75,848,964	-	75,848,964
Corporate bonds	13,492,135	-	13,492,135
Municipal bonds	464,241	-	464,241
Investments held in the Illinois Firefighters' Pension Investment Fund	-	138,584,922	138,584,922
Receivables			
Accrued interest	455,190	-	455,190
Due from other funds	52,685	70,905	123,590
Total assets	179,099,024	143,790,815	322,889,839
LIABILITIES			
Accounts payable	-	13,925	13,925
Deferred revenue	23,551	-	23,551
Total liabilities	23,551	13,925	37,476
NET POSITION RESTRICTED FOR PENSIONS	$ 179,075,473	$ 143,776,890	$ 322,852,363

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2023

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 3,986,418	$ 5,372,130	$ 9,358,548
Participants	2,030,248	1,217,137	3,247,385
Other	3,491	11,690	15,181
Total contributions	6,020,157	6,600,957	12,621,114
Investment income			
Net appreciation value of investments	20,724,613	16,628,486	37,353,099
Interest income	3,286,681	2,074,829	5,361,510
Subtotal	24,011,294	18,703,315	42,714,609
Less investment expense	(373,784)	(139,537)	(513,321)
Net investment income	23,637,510	18,563,778	42,201,288
Total additions	29,657,667	25,164,735	54,822,402
DEDUCTIONS			
Administrative	26,299	51,691	77,990
Pension benefits and refunds	10,515,799	8,814,870	19,330,669
Total deductions	10,542,098	8,866,561	19,408,659
NET INCREASE	19,115,569	16,298,174	35,413,743
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	159,959,904	127,478,716	287,438,620
December 31	$ 179,075,473	$ 143,776,890	$ 322,852,363

(See independent auditor's report.)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2023
(with comparative actual)

	2023 Original Budget	2023 Final Budget	2023 Actual	2022 Actual
ADDITIONS				
Contributions				
Employer	$ 3,911,000	$ 3,911,000	$ 3,986,418	$ 6,114,000
Plan members	1,200,000	1,200,000	2,030,248	1,224,154
Other	-	-	3,491	873,309
Total contributions	5,111,000	5,111,000	6,020,157	8,211,463
Investment income				
Net appreciation (depreciation) in fair value of investments	2,000,000	2,000,000	20,724,613	(26,442,944)
Interest earned	2,500,000	2,500,000	3,286,681	3,123,746
Subtotal	4,500,000	4,500,000	24,011,294	(23,319,198)
Less investment expense	(325,000)	(325,000)	(373,784)	(378,169)
Net investment income	4,175,000	4,175,000	23,637,510	(23,697,367)
Total additions	9,286,000	9,286,000	29,657,667	(15,485,904)
DEDUCTIONS				
Administrative	60,000	60,000	26,299	31,926
Pension benefits and refunds	10,854,200	10,854,200	10,515,799	10,296,202
Total deductions	10,914,200	10,914,200	10,542,098	10,328,128
NET INCREASE (DECREASE)	$ (1,628,200)	$ (1,628,200)	19,115,569	(25,814,032)
NET POSITION RESTRICTED FOR PENSION BENEFITS				
January 1			159,959,904	185,773,936
December 31			$ 179,075,473	$ 159,959,904

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL

For the Year Ended December 31, 2023
(with comparative actual)

	2023			2022
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer	$ 5,256,000	$ 5,256,000	$ 5,372,130	$ 6,962,000
Plan members	1,175,000	1,175,000	1,217,137	1,168,906
Other	-	-	11,690	-
Total contributions	6,431,000	6,431,000	6,600,957	8,130,906
Investment income				
Net appreciation (depreciation) in fair value in investments	2,000,000	2,000,000	16,628,486	(22,206,916)
Interest earned	1,400,000	1,400,000	2,074,829	905,769
Subtotal	3,400,000	3,400,000	18,703,315	(21,301,147)
Less investment expense	(10,000)	(10,000)	(139,537)	(74,280)
Net investment income	3,390,000	3,390,000	18,563,778	(21,375,427)
Total additions	9,821,000	9,821,000	25,164,735	(13,244,521)
DEDUCTIONS				
Administrative	72,300	72,300	51,691	129,528
Pension benefits and refunds	8,973,500	8,973,500	8,814,870	8,508,695
Total deductions	9,045,800	9,045,800	8,866,561	8,638,223
NET INCREASE (DECREASE)	$ 775,200	$ 775,200	16,298,174	(21,882,744)
NET POSITION RESTRICTED FOR PENSION BENEFITS				
January 1			127,478,716	149,361,460
December 31			$ 143,776,890	$ 127,478,716

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2016

December 31, 2023

Date of Issue	February 10, 2016
Date of Maturity	December 1, 2036
Authorized Issue	$32,900,000
Denomination of Bonds	$5,000
Interest Rates	3% to 4%
Paying Agent	Depository Trust Company
Purpose of Issue	Construction of new police station
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax	**Requirements**			**Interest Due on**			
Levy	**Principal**	**Interest**	**Totals**	**June 1**	**Amount**	**December 1**	**Amount**
2023	$ 1,605,000	$ 846,400	$ 2,451,400	2024	$ 423,200	2024	$ 423,200
2024	1,580,000	798,250	2,378,250	2025	399,125	2025	399,125
2025	1,670,000	750,850	2,420,850	2026	375,425	2026	375,425
2026	1,710,000	700,750	2,410,750	2027	350,375	2027	350,375
2027	1,760,000	649,450	2,409,450	2028	324,725	2028	324,725
2028	1,810,000	596,650	2,406,650	2029	298,325	2029	298,325
2029	1,865,000	542,350	2,407,350	2030	271,175	2030	271,175
2030	1,920,000	486,400	2,406,400	2031	243,200	2031	243,200
2031	1,980,000	428,800	2,408,800	2032	214,400	2032	214,400
2032	2,060,000	349,600	2,409,600	2033	174,800	2033	174,800
2033	2,140,000	267,200	2,407,200	2034	133,600	2034	133,600
2034	2,225,000	181,600	2,406,600	2035	90,800	2035	90,800
2035	2,315,000	92,600	2,407,600	2036	46,300	2036	46,300
	$ 24,640,000	$ 6,690,900	$ 31,330,900		$ 3,345,450		$ 3,345,450

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2018

December 31, 2023

Date of Issue	September 11, 2018
Date of Maturity	December 1, 2038
Authorized Issue	$9,530,000
Denomination of Bonds	$5,000
Interest Rates	3.50% to 5.00%
Paying Agent	UMB Bank, National Association, St. Louis MO
Purpose of Issue	Various capital improvements
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax	Requirements			Interest Due on			
Levy	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2023	$ 390,000	$ 299,150	$ 689,150	2024	$ 149,575	2024	$ 149,575
2024	410,000	279,650	689,650	2025	139,825	2025	139,825
2025	435,000	259,150	694,150	2026	129,575	2026	129,575
2026	455,000	237,400	692,400	2027	118,700	2027	118,700
2027	470,000	221,475	691,475	2028	110,738	2028	110,737
2028	485,000	205,025	690,025	2029	102,513	2029	102,512
2029	505,000	188,050	693,050	2030	94,025	2030	94,025
2030	520,000	170,375	690,375	2031	85,188	2031	85,187
2031	540,000	152,175	692,175	2032	76,088	2032	76,087
2032	560,000	133,275	693,275	2033	66,638	2033	66,637
2033	580,000	113,675	693,675	2034	56,838	2034	56,837
2034	600,000	93,375	693,375	2035	46,688	2035	46,687
2035	620,000	72,375	692,375	2036	36,188	2036	36,187
2036	645,000	49,125	694,125	2037	24,563	2037	24,562
2037	665,000	24,937	689,937	2038	12,469	2038	12,468
	$ 7,880,000	$ 2,499,212	$ 10,379,212		$ 1,249,611		$ 1,249,601

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019

December 31, 2023

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax	Requirements			Interest Due on			
Levy	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2023	$ 2,265,000	$ 258,000	$ 2,523,000	2024	$ 129,000	2024	$ 129,000
2024	1,650,000	144,750	1,794,750	2025	72,375	2025	72,375
2025	1,245,000	62,250	1,307,250	2026	31,125	2026	31,125
	$ 5,160,000	$ 465,000	$ 5,625,000		$ 232,500		$ 232,500

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

GENERAL OBLIGATION BONDS, SERIES 2020

December 31, 2023

Date of Issue	September 2, 2020
Date of Maturity	December 1, 2030
Authorized Issue	$11,650,000
Denomination of Bonds	$5,000
Interest Rates	4%
Paying Agent	UMB Bank, National Association, St. Louis MO
Purpose of Issue	Capital projects
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax	Requirements			Interest Due on			
Levy	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2023	$ 1,175,000	$ 348,200	$ 1,523,200	2024	$ 174,100	2024	$ 174,100
2024	695,000	301,200	996,200	2025	150,600	2025	150,600
2025	670,000	273,400	943,400	2026	136,700	2026	136,700
2026	1,815,000	246,600	2,061,600	2027	123,300	2027	123,300
2027	1,890,000	174,000	2,064,000	2028	87,000	2028	87,000
2028	1,960,000	98,400	2,058,400	2029	49,200	2029	49,200
2029	500,000	20,000	520,000	2030	10,000	2030	10,000
	$ 8,705,000	$ 1,461,800	$ 10,166,800		$ 730,900		$ 730,900

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Page(s)

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	4/30/2015	12/31/2015*	12/31/2016	12/31/2017
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 126,928,744	$ 134,100,576	$ 142,096,216	$ 149,053,177
Restricted	23,943,432	21,979,506	18,509,205	24,218,253
Unrestricted	44,627,697	(41,302,760)	(39,209,690)	(44,770,477)
TOTAL GOVERNMENTAL ACTIVITIES	$ 195,499,873	$ 114,777,322	$ 121,395,731	$ 128,500,953
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 28,889,101	$ 27,613,381	$ 26,986,838	$ 27,007,689
Restricted	-	-	-	-
Unrestricted	22,803,814	22,200,989	19,093,045	20,027,518
TOTAL BUSINESS-TYPE ACTIVITIES	$ 51,692,915	$ 49,814,370	$ 46,079,883	$ 47,035,207
PRIMARY GOVERNMENT				
Net investment in capital assets***	$ 155,817,845	$ 161,713,957	$ 169,083,054	$ 176,060,866
Restricted	23,943,432	21,979,506	18,509,205	24,218,253
Unrestricted	67,431,511	(19,101,771)	(20,116,645)	(24,742,959)
TOTAL PRIMARY GOVERNMENT	$ 247,192,788	$ 164,591,692	$ 167,475,614	$ 175,536,160

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

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

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

Data Source

Audited Financial Statements

12/31/2018**	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
$ 152,560,713	$ 155,122,107	$ 154,273,910	$ 161,981,905	$ 167,868,942	$ 174,654,515
28,327,246	35,183,379	34,208,521	42,337,453	30,845,551	32,603,820
(59,581,979)	(56,415,754)	(40,467,843)	(31,283,970)	(8,640,468)	(7,446,763)
$ 121,305,980	$ 133,889,732	$ 148,014,588	$ 173,035,388	$ 190,074,025	$ 199,811,572
$ 26,289,779	$ 29,772,932	$ 32,517,538	$ 36,802,195	$ 43,120,419	$ 45,495,470
-	-	-	-	-	-
21,386,688	19,819,331	28,575,496	38,148,156	44,631,665	51,928,407
$ 47,676,467	$ 49,592,263	$ 61,093,034	$ 74,950,351	$ 87,752,084	$ 97,423,877
$ 178,850,492	$ 184,895,039	$ 186,791,448	$ 198,784,100	$ 210,989,361	$ 209,898,338
28,327,246	35,183,379	34,208,521	42,337,453	30,845,551	32,603,820
(38,195,291)	(36,596,423)	(11,892,347)	6,864,186	35,991,197	54,733,291
$ 168,982,447	$ 183,481,995	$ 209,107,622	$ 247,985,739	$ 277,826,109	$ 297,235,449

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	4/30/2015	12/31/2015	12/31/2016	12/31/2017
EXPENSES				
Governmental activities				
General government	$ 6,959,759	$ 5,640,281	$ 3,445,379	$ 5,608,591
Public safety	44,806,959	42,999,869	48,437,685	46,568,027
Highways and streets	22,995,777	11,731,508	20,548,648	19,554,637
Community development	2,288,259	2,951,484	7,143,680	8,003,031
Health and welfare	5,878,038	4,396,910	3,130,134	4,031,072
Interest	1,532,740	888,689	2,097,362	1,971,409
Total governmental activities expenses	84,461,532	68,608,741	84,802,888	85,736,767
Business-type activities				
Water and sewer	16,252,073	12,744,878	21,138,874	18,016,038
Solid waste disposal	1,274,638	961,329	1,117,379	1,283,229
Arts, entertainment, and events	991,928	570,146	752,236	876,108
Lead service line replacement	-	-	-	-
Total business-type activities expenses	18,518,639	14,276,353	23,008,489	20,175,375
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 102,980,171	$ 82,885,094	$ 107,811,377	$ 105,912,142
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	$ 4,129,774	$ 3,105,322	$ 4,637,586	$ 4,356,699
Public safety	3,072,951	2,088,265	2,979,377	2,963,757
Highways and streets	3,213,901	2,322,624	3,218,925	3,885,739
Community development	43,722	22,680	1,592,920	1,575,254
Health and welfare	1,474,210	1,055,370	22,905	21,214
Operating grants and contributions	4,662,077	1,834,378	-	2,605,115
Capital grants and contributions	133,187	-	2,464,157	875,699
Total governmental activities program revenues	16,729,822	10,428,639	14,915,870	16,283,477
Business-type activities				
Charges for services				
Water and sewer	14,125,562	10,323,750	17,256,513	18,858,921
Solid waste disposal	1,759,911	1,310,604	1,676,467	1,946,842
Art, entertainment, and events	54,851	85,288	130,121	126,166
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	15,940,324	11,719,642	19,063,101	20,931,929
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 32,670,146	$ 22,148,281	$ 33,978,971	$ 37,215,406
NET REVENUE (EXPENSE)				
Governmental activities	$ (67,731,710)	$ (58,180,102)	$ (69,887,018)	$ (69,453,290)
Business-type activities	(2,578,315)	(2,556,711)	(3,945,388)	756,554
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	$ (70,310,025)	$ (60,736,813)	$ (73,832,406)	$ (68,696,736)

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
$ 6,495,468	$ 5,364,493	$ 3,600,858	$ 4,214,032	$ 4,576,247	$ 4,311,008
49,573,397	49,917,159	42,532,970	41,568,604	60,741,249	60,917,013
25,126,598	25,021,840	22,991,086	23,098,121	23,621,473	28,425,010
2,312,172	5,212,443	5,156,663	5,098,029	4,855,162	5,836,404
7,010,034	2,424,569	2,265,578	2,212,596	3,033,550	2,566,834
1,881,323	2,366,030	1,887,498	1,870,744	1,628,720	1,419,218
92,398,992	90,306,534	78,434,653	78,062,126	98,456,401	103,475,487
18,246,576	17,931,202	19,409,330	17,909,075	18,530,516	20,482,355
1,468,304	1,577,690	1,522,125	1,615,341	1,659,483	1,830,568
820,253	887,553	453,799	774,766	947,629	1,328,424
-	-	-	-	-	570,812
20,535,133	20,396,445	21,385,254	20,299,182	21,137,628	24,212,159
$ 112,934,125	$ 110,702,979	$ 99,819,907	$ 98,361,308	$ 119,594,029	$ 127,687,646
$ 4,649,160	$ 6,347,691	$ 4,912,266	$ 5,638,509	$ 5,773,760	$ 4,111,227
3,760,239	3,985,006	3,456,755	4,582,496	5,297,823	5,138,837
5,238,289	1,397,660	941,971	801,674	785,523	1,091,363
16,692	2,056,866	1,918,652	2,101,097	2,217,759	1,892,435
1,479,730	42,343	37,889	54,715	56,171	52,417
2,757,894	3,340,537	5,854,802	4,559,833	4,378,182	5,237,549
297,950	1,970,000	-	4,149,817	2,418,215	-
18,199,954	19,140,103	17,122,335	21,888,141	20,927,433	17,523,828
18,967,266	19,259,539	20,769,646	21,711,866	22,024,055	22,650,747
1,892,921	1,965,249	1,915,616	1,969,866	1,970,484	2,122,314
131,426	135,258	73,690	101,067	159,712	129,354
-	-	24,212,159	3,102,920	4,322,762	756,800
20,991,613	21,360,046	46,971,111	26,885,719	28,477,013	25,659,215
$ 39,191,567	$ 40,500,149	$ 64,093,446	$ 48,773,860	$ 49,404,446	$ 43,183,043
$ (74,199,038)	$ (71,166,431)	$ (61,312,318)	$ (56,173,985)	$ (77,528,968)	$ (85,951,659)
456,480	963,601	25,585,857	6,586,537	7,339,385	1,447,056
$ (73,742,558)	$ (70,202,830)	$ (35,726,461)	$ (49,587,448)	$ (70,189,583)	$ (84,504,603)

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	4/30/2015	12/31/2015	12/31/2016	12/31/2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities				
Taxes				
Property	$ 31,550,695	$ 31,960,632	$ 33,774,122	$ 35,031,674
Utility	5,499,718	2,827,748	5,195,181	4,988,209
Home rule sales	7,310,625	5,097,810	6,999,693	6,667,772
Food and beverage	2,003,859	1,437,299	1,944,185	1,970,860
Hotel	1,032,228	777,052	1,096,755	1,043,795
Telecommunications	3,199,974	2,037,305	3,116,898	2,586,731
Foreign fire insurance	134,186	137,450	129,877	131,628
Other	320,071	286,444	335,157	297,053
Intergovernmental				
Sales	12,060,996	8,423,387	12,377,718	12,064,683
Use	1,520,258	1,147,270	1,807,251	2,027,665
Replacement	454,992	283,613	430,829	464,689
ARPA	-	-	-	-
Shared income tax	7,354,986	5,254,518	7,310,634	6,897,965
Investment earnings	246,993	121,491	435,523	828,070
Miscellaneous	1,098,755	837,890	1,051,604	1,057,718
Transfers	-	-	500,000	500,000
Total governmental activities	73,788,336	60,629,909	76,505,427	76,558,512
Business-type activities				
Investment earnings	20,818	9,806	21,865	41,816
Food and beverage	498,638	367,339	649,046	656,954
Miscellaneous	177,461	300,721	39,990	-
Transfers	-	-	(500,000)	(500,000)
Total business-type activities	696,917	677,866	210,901	198,770
TOTAL PRIMARY GOVERNMENT	$ 74,485,253	$ 61,307,775	$ 76,716,328	$ 76,757,282
CHANGE IN NET POSITION				
Governmental activities	$ 6,056,626	$ 2,449,807	$ 6,618,409	$ 7,105,222
Business-type activities	(1,881,398)	(1,878,845)	(3,734,487)	955,324
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ 4,175,228	$ 570,962	$ 2,883,922	$ 8,060,546

Data Source

Audited Financial Statements

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
$ 36,975,524	$ 37,873,650	$ 39,097,436	$ 39,175,623	$ 41,074,218	$ 40,222,393
5,417,711	5,220,745	4,892,355	4,943,577	4,921,899	4,579,657
7,155,629	7,201,491	6,206,316	8,757,129	9,609,418	9,733,165
2,076,857	2,079,454	1,577,787	2,139,900	2,301,416	2,497,517
1,078,944	1,109,349	408,888	641,947	937,369	917,624
2,437,145	2,356,604	1,868,788	1,684,735	1,651,598	1,683,886
129,452	134,895	151,399	157,551	180,396	197,188
304,679	61,304	20,109	50,558	40,442	44,861
12,927,772	12,914,676	12,480,915	15,162,957	15,993,182	15,414,286
2,027,665	2,488,121	3,290,912	2,961,695	3,151,457	3,052,746
422,905	523,154	470,094	816,967	1,652,822	1,394,467
-	-	-	-	1,463,626	877,691
7,192,128	7,993,678	8,161,144	9,939,827	12,657,093	12,406,362
1,616,187	1,720,017	410,745	75,345	1,341,626	4,678,577
2,006,603	1,638,848	4,116,654	1,730,316	1,291,043	3,238,786
479,988	434,197	(8,545,232)	(6,650,000)	(3,700,000)	(5,250,000)
82,249,189	83,750,183	74,608,310	81,588,127	94,567,605	95,689,206
93,529	139,045	25,914	14,898	335,812	955,672
692,286	693,535	519,327	713,530	977,357	1,033,326
499,882	553,812	794,733	492,282	449,179	985,739
(479,988)	(434,197)	8,545,232	6,650,000	3,700,000	5,250,000
805,709	952,195	9,885,206	7,870,710	5,462,348	8,224,737
$ 83,054,898	$ 84,702,378	$ 84,493,516	$ 89,458,837	$ 100,029,953	$ 103,913,943
$ 8,050,151	$ 12,583,752	$ 13,295,992	$ 25,414,142	$ 17,038,637	$ 9,737,547
1,262,189	1,915,796	35,471,063	14,457,247	12,801,733	9,671,793
$ 9,312,340	$ 14,499,548	$ 48,767,055	$ 39,871,389	$ 29,840,370	$ 19,409,340

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	**4/30/2015**	**12/31/2015**	**12/31/2016**	**12/31/2017**
GENERAL FUND				
Nonspendable	$ 189,328	$ 172,973	$ 192,691	$ 117,663
Unrestricted				
Assigned	874,315	817,143	844,034	1,524,370
Unassigned	23,252,947	27,536,053	30,271,109	29,005,220
TOTAL GENERAL FUND	$ 24,316,590	$ 28,526,169	$ 31,307,834	$ 30,647,253
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ 399,794	$ 370,479	$ 232,130	$ 178,480
Restricted	24,540,110	22,074,564	18,683,413	24,378,960
Unrestricted				
Assigned	10,270,809	13,329,568	13,329,568	31,177,516
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 35,210,713	$ 35,774,611	$ 32,245,111	$ 55,734,956

Data Source

Audited Financial Statements

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
$ 345,557	$ 285,700	$ 178,689	$ 251,657	$ 170,301	$ 301,083
1,205,581	808,622	1,520,029	844,796	819,136	1,004,577
29,154,102	29,784,407	28,888,256	29,561,812	31,529,456	32,849,661
$ 30,705,240	$ 30,878,729	$ 30,586,974	$ 30,658,265	$ 32,518,893	$ 34,155,321
$ 46,394	$ 20,075	$ 64,243	$ 8,411	$ -	$ 85,072
37,423,894	38,005,083	47,908,521	47,458,344	30,845,551	32,603,820
8,418,536	5,486,796	6,671,873	6,077,199	25,094,365	26,383,014
$ 45,888,824	$ 43,511,954	$ 54,644,637	$ 53,543,954	$ 55,939,916	$ 59,071,906

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	4/30/2015	12/31/2015	12/31/2016	12/31/2017
REVENUES				
Taxes	$ 50,917,170	$ 44,424,290	$ 52,461,991	$ 52,586,094
Intergovernmental	21,621,147	15,246,238	22,252,920	24,022,799
Grants and contributions	4,699,535	1,834,378	2,267,546	985,445
Charges for services	5,230,607	3,758,085	5,192,297	5,909,847
Licenses and permits	5,862,746	4,317,478	6,529,300	6,211,862
Fines and fees	804,726	500,620	710,352	664,035
Investment income	182,615	88,530	355,443	689,104
Miscellaneous	1,135,234	855,968	1,071,368	1,074,637
Total revenues	90,453,780	71,025,587	90,841,217	92,143,823
EXPENDITURES				
General government	4,636,827	3,219,631	4,680,170	4,471,299
Public safety	44,609,076	33,515,656	46,071,577	46,398,789
Highways and streets	13,140,609	8,854,213	13,114,009	12,623,702
Community development	2,268,019	1,577,298	5,955,261	7,974,896
Health and welfare	5,469,806	3,951,512	2,331,430	2,280,772
Capital outlay	12,133,539	7,277,852	14,224,083	19,935,951
Debt service				
Principal retirement	6,475,000	6,455,000	5,215,000	4,995,000
Interest and fiscal charges	1,442,549	1,400,954	2,459,907	2,094,718
Other charges	-	-	-	-
Total expenditures	90,175,425	66,252,116	94,051,437	100,775,127
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	278,355	4,773,471	(3,210,220)	(8,631,304)
OTHER FINANCING SOURCES (USES)				
Bonds issued	7,625,000	-	32,900,000	-
Bond premium (discount)	460,605	-	2,022,953	-
Payment to escrow agent	-	-	-	-
Transfers in	9,444,113	6,755,513	915,000	6,898,372
Transfers (out)	(9,444,113)	(6,755,513)	(415,000)	(8,398,372)
Proceeds from SBITA issuance	-	-	-	-
Proceeds from sale of capital assets	1,940	-	-	-
Total other financing sources (uses)	8,087,545	-	35,422,953	(1,500,000)
NET CHANGE IN FUND BALANCES	$ 8,365,900	$ 4,773,471	$ 32,212,733	$ (10,131,304)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.15%	9.15%	12.58%	8.81%

Data Source

Audited Financial Statements

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
$ 55,446,489	$ 56,037,492	$ 54,223,078	$ 57,551,020	$ 60,716,756	$ 59,876,291
22,424,922	28,544,577	27,165,106	31,886,916	37,643,594	36,399,511
3,055,844	685,589	3,222,027	5,833,446	4,205,983	2,121,590
8,127,866	3,225,423	2,779,841	2,847,254	2,540,566	3,166,054
6,382,208	4,834,759	3,372,026	4,076,369	4,252,704	2,684,480
625,309	5,944,102	5,222,196	6,449,661	7,274,848	6,696,407
1,312,157	1,720,017	410,745	75,345	1,341,626	4,678,577
2,015,330	1,464,130	1,566,432	1,685,847	1,310,548	2,843,448
99,390,125	102,456,089	97,961,451	110,405,858	119,286,625	118,466,358
4,552,993	4,946,789	5,084,688	5,235,495	5,020,397	5,291,532
50,975,181	52,144,753	50,011,598	51,089,154	56,458,920	55,169,764
13,500,715	13,962,880	13,322,453	13,582,872	14,543,933	15,742,280
2,186,836	4,686,797	4,941,849	5,147,502	5,180,769	5,467,777
6,610,045	2,228,965	2,277,085	2,331,983	2,356,962	2,443,924
34,512,902	19,259,834	8,974,970	16,717,911	15,787,272	17,051,229
5,240,000	5,650,000	5,690,000	5,075,000	5,335,000	5,350,634
2,078,904	2,110,912	1,977,545	2,405,333	2,146,782	1,972,409
-	110,752	154,600	-	-	-
119,657,576	105,101,682	92,434,788	101,585,250	106,830,035	108,489,549
(20,267,451)	(2,645,593)	5,526,663	8,820,608	12,456,590	9,976,809
9,530,000	7,985,000	11,650,000	-	-	-
469,318	1,516,526	2,209,497	-	-	-
-	(9,493,511)	-	-	-	-
1,711,000	2,924,649	1,383,100	4,293,561	1,793,300	1,317,843
(1,231,012)	(2,490,452)	(9,928,332)	(14,143,561)	(9,993,300)	(6,567,843)
-	-	-	-	-	34,008
-	-	-	-	-	7,601
10,479,306	442,212	5,314,265	(9,850,000)	(8,200,000)	(5,208,391)
$ (9,788,145)	$ (2,203,381)	$ 10,840,928	$ (1,029,392)	$ 4,256,590	$ 4,768,418
8.09%	7.93%	9.03%	8.03%	7.48%	7.19%

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

POLICE PENSION FUND
TAX LEVIES AND CONTRIBUTIONS

Last Ten Levy Years

Levy Year	Annual Actuarial Requirement from Actuary	Actual Amount Levied	Percentage of Annual Required Contribution from Actuary	Recognized for Annual Required Contribution from Actuary	Actual Revenue Recognized in Fiscal Year
2012	$ 4,222,683	$ 4,529,400	107%	$ 4,529,400	41,759
2013	4,432,200	4,500,000	102%	4,500,000	4/30/2015
2014*	2,779,725	4,500,000	162%	4,500,000	12/31/2015*
2016	3,839,961	3,994,000	104%	3,994,000	2017
2017	3,878,094	3,879,000	100%	3,879,000	2018
			Additional Contribution	1,500,000	
				5,379,000	
2018	4,016,824	4,017,000	100%	4,017,000	2019
			Additional Contribution	1,250,000	
				5,267,000	
2019	4,108,483	4,209,000	102%	4,209,000	2020
2020	4,072,578	4,073,000	100%	4,073,000	2021
2021	3,749,954	4,114,000	110%	4,114,000	2022
			Additional Contribution	2,000,000	
				6,114,000	
2022	3,757,141	3,911,000	104%	3,911,000	2,023

*For the eight months ended December 31, 2015.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FIREFIGHTERS' PENSION FUND
TAX LEVIES AND CONTRIBUTIONS

Last Ten Levy Years

Levy Year	Annual Actuarial Requirement from Actuary	Actual Amount Levied	Percentage of Annual Required Contribution from Actuary	Recognized for Annual Required Contribution from Actuary	Actual Revenue Recognized in Fiscal Year
2012	$ 4,771,232	$ 5,007,300	105%	$ 5,007,300	41,759
2013	5,055,378	5,057,400	100%	5,057,400	42,124
2014*	3,235,984	5,100,000	158%	5,100,000	12/31/2015*
2016	4,734,724	4,889,000	103%	4,889,000	2017
2017	4,852,647	4,853,000	100%	4,853,000	2018
			Additional Contribution	1,500,000	
				6,353,000	
2018	4,952,007	4,953,000	100%	4,953,000	2019
			Additional Contribution	1,250,000	
				6,203,000	
2019	5,030,110	5,130,000	102%	5,130,000	2020
2020	4,912,161	4,913,000	100%	4,913,000	2021
2021	4,828,817	4,962,000	103%	4,962,000	2022
			Additional Contribution	2,000,000	
				6,962,000	
2022	5,255,147	5,256,000	100%	5,256,000	2023

*For the eight months ended December 31, 2015.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Equalized Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate
2013	$ 1,704,562,752	$ 573,721,999	$ 198,631,738	$ 996,997	$ 2,477,913,486	$ 7,434,483,906	$ 1.8180
2014	1,810,983,128	577,544,679	114,654,036	1,037,926	2,504,219,769	7,513,410,648	1.8160
2015	1,766,744,791	565,748,059	113,315,940	1,242,969	2,447,051,759	7,341,889,466	1.9250
2016	2,155,373,008	620,835,250	119,444,421	1,264,483	2,896,917,162	8,691,620,648	1.6650
2017	2,165,564,338	654,570,030	125,103,734	1,289,820	2,946,527,922	8,840,467,813	1.6960
2018	2,146,460,365	645,525,173	125,564,273	1,384,950	2,918,934,761	8,757,680,051	1.7580
2019	2,418,574,182	794,052,203	152,530,437	1,510,759	3,366,667,581	10,101,012,844	1.5400
2020	2,409,134,826	805,015,324	172,043,750	1,574,501	3,387,768,401	10,164,321,635	1.5460
2021	2,218,613,995	741,225,232	160,549,092	1,574,501	3,121,962,820	9,366,825,143	1.6940
2022	2,760,052,434	782,262,140	180,630,018	1,877,409	3,724,822,001	11,175,583,561	1.4050

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

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

Tax Levy Year	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Tax rates per $100 of EAV										
Village direct rates										
Village of Arlington Heights	1.2700	1.2690	1.3590	1.1820	1.2170	1.2650	1.1080	1.1120	1.2190	0.9980
Arlington Heights Memorial Library	0.5480	0.5470	0.5660	0.4830	0.4790	0.4930	0.4320	0.4340	0.4750	0.4070
Total Village direct rate	1.8180	1.8160	1.9250	1.6650	1.6960	1.7580	1.5400	1.5460	1.6940	1.4050
Overlapping rates										
County (including Forest Preserve)	0.6600	0.6370	0.6210	0.5960	0.5580	0.5490	0.5130	0.5110	0.5040	0.5120
Metro Reclamation District	0.4170	0.4300	0.4260	0.4060	0.4020	0.9600	0.3890	0.3780	0.3820	0.3740
School District #25	3.6590	3.6780	3.9900	3.4240	3.4880	3.6170	3.2460	3.3340	3.7090	3.4370
School District #214	2.7680	2.7760	2.8810	2.5270	2.5630	2.6690	2.3560	2.3820	2.6640	2.3520
School District #512	0.4440	0.4510	0.4660	0.4190	0.4250	0.4430	0.4030	0.4090	0.4570	0.4100
Park District's	0.6330	0.6360	0.6260	0.4880	0.4940	0.5140	0.4570	0.4690	0.5210	0.4640
Wheeling Township	0.0560	0.0520	0.0550	0.0410	0.0430	0.0430	0.0380	0.0370	0.0410	0.0360
Other	0.0420	0.0420	0.0410	0.0320	0.0340	0.0360	0.0330	0.0310	0.0340	0.0280
Total Tax Rate Per $100 of EAV	10.4970	10.5180	11.0310	9.5980	9.7030	10.5890	8.9750	9.0970	10.0060	9.0180

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	2023 (based on 2022 EAV)			2014 (based on 2013 EAV)		
Taxpayer	**Equalized Assessed Value***	**Rank**	**Percentage of Total Village Equalized Assessed Valuation**	**Equalized Assessed Value**	**Rank**	**Percentage of Total Village Equalized Assessed Valuation**
Arlington Park Racetrack	$ 71,212,917	1	1.912%	$ 33,409,746	2	1.348%
Luther Village	50,442,105	2	1.354%	$ 43,520,328	1	1.756%
E Property Tax Ridge Plaza	45,570,768	3	1.223%	11,942,574	9	0.482%
United Airlines	30,668,445	4	0.823%			
Robert F Rohrman	27,117,042	5	0.728%			
JRK Property Holdings	23,331,636	6	0.626%			
Town and Country Chicago	22,822,116	7	0.613%	21,164,121	4	0.854%
AmCap Northpoint LLC	22,822,116	8	0.613%	19,087,206	5	0.770%
Stonebridge Village	22,289,631	9	0.598%			
200 Arlington Place	20,298,000	10	0.545%	10,260,585	10	0.414%
Nokia Siemens Networks	-	-	-	22,035,666	3	0.889%
New Plan Excel Realty Trust	-	-	-	15,025,863	6	0.606%
Tanglewood Apartments	-	-	-	13,127,643	7	0.530%
YPI Arlington	-	-	-	13,118,598	8	0.529%
	$ 336,574,776		9.035%	$ 202,692,330		8.178%

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

Data Source

Official statements

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 31,463,571	$ 30,820,062	97.95%	$ -	$ 30,820,062	97.95%
2014	31,778,207	31,203,688	98.19%	-	31,203,688	98.19%
2015	33,248,168	33,087,784	99.52%	-	33,087,784	99.52%
2016	34,236,930	33,676,536	98.36%	-	33,676,536	98.36%
2017	35,851,769	35,067,225	97.81%	-	35,067,225	97.81%
2018	36,923,947	36,039,985	97.61%	-	36,039,985	97.61%
2019	37,535,586	37,163,947	99.01%	-	37,163,947	99.01%
2020	37,908,532	37,533,200	99.01%	-	37,533,200	99.01%
2021	38,295,160	37,916,000	99.01%	-	37,916,000	99.01%
2022	36,807,430	36,766,346	99.89%	-	36,766,346	99.89%

Data Source

Cook County Tax Extension Office

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities								
Fiscal Year Ended		Gross General Obligation Bonds		SBITAs Payable		Gross General Obligation Bonds		Leases		Total Primary Government	Percentage of Personal Income		Per Capita
4/30/2015	$	43,986,033	$	-	$	-	$	-	$	43,986,033	2.84%	$	953.04
2015*		37,254,248		-		-		-		37,254,248	2.64%		885.46
2016		66,254,370		-		-		-		66,254,370	2.14%		882.20
2017		60,911,366		-		-		-		60,911,366	1.96%		811.06
2018		65,182,632		-		-		-		65,182,632	1.78%		715.44
2019		59,337,907		-		-		-		59,337,907	1.58%		790.11
2020		67,132,280		-		-		-		67,132,280	2.22%		893.89
2021		61,499,590		-		-		-		61,499,590	1.54%		791.75
2022		55,606,894		-		-		-		55,606,894	1.39%		715.88
2023		49,852,815		1,300,815		-		-		51,153,630	1.12%		658.55

*For the eight months ended December 31, 2015.

Notes: The Village changed to a December 31 fiscal year end, effective December 31, 2015.
Details of the Village's outstanding debt can be found in the notes to financial statements.

See the schedule of Demographic and Economic Information on page 172 for personal income and population data.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Less: Debt Payable from Enterprise Revenue	Total	(1) Percentage of Estimated Actual Taxable Value of Property	(2) Per Capita
4/30/2015	$ 43,986,033	$ 989,407	$ -	$ 42,996,626	0.58%	$ 572.52
2015*	37,254,248	1,405,448	-	35,848,800	0.48%	477.34
2016	66,254,370	1,310,129	-	64,944,241	0.88%	864.76
2017	60,911,366	1,307,322	-	59,604,044	0.69%	793.65
2018	65,182,632	1,940,429	-	63,242,203	0.72%	842.10
2019	59,337,907	2,182,035	-	57,155,872	0.65%	761.05
2020	67,132,280	2,098,100	-	65,034,180	0.64%	865.96
2021	61,499,590	1,937,002	-	59,562,588	0.59%	766.81
2022	55,606,894	1,820,239	-	53,786,655	0.57%	692.45
2023	49,852,815	2,147,671	-	47,705,144	0.43%	614.16

*For the eight months ended December 31, 2015.

Notes: Details of the Village's outstanding debt can be found in the notes to financial statements.
The Village changed to a December 31 fiscal year-end, effective December 31, 2015.

(1) See the schedule of Assessed Value and Actual Value of Taxable Property on page 164 for property value data. These ratios are calculated using levy year data.

(2) See the schedule of Demographic and Economic Information on page 172 for population data. These ratios are calculated using calendar year data.

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2023

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village of Arlington Heights*	Village of Arlington Heights Share of Debt
Village of Arlington Heights - General Obligation	$ 49,852,815	100.000%	$ 49,852,815
Total direct debt	49,852,815		49,852,815
Community College District 512	235,760,000	15.863%	37,398,609
Arlington Heights School District 25	91,070,000	96.741%	88,102,029
Cook County School District 15	80,780,000	3.998%	3,229,584
Cook County School District 21	81,005,000	22.933%	18,576,877
Cook County School District 59	21,370,000	12.644%	2,702,023
Prospect Heights School District 23	11,100,000	35.613%	3,953,043
Arlington Heights School District 214	22,265,000	32.871%	7,318,728
Cook County School District 57	4,945,000	4.512%	223,118
Cook County	1,920,320,000	2.016%	38,713,651
Forest Preserve of Cook County	98,005,000	2.016%	1,975,781
Metropolitan Water Reclamation District of Greater Chicago	2,637,381,000	2.050%	54,066,311
Arlington Heights Park District	16,950,000	96.569%	16,368,446
Buffalo Grove Park District	11,627,000	3.474%	403,922
Prospect Heights Park District	5,405,000	5.211%	281,655
Mount Prospect Park District	22,208,345	2.980%	661,809
Palatine Park District	15,870,000	1.310%	207,897
Salt Creek Park District	940,000	41.013%	385,522
Total overlapping debt	5,277,001,345		274,569,005
TOTAL DIRECT AND OVERLAPPING DEBT	$ 5,326,854,160		$ 324,421,820

*Determined by ratio of assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in the Village. Percentages are based on 2022 Equalized Assessed Valuations.

Data Source

Cook County Tax Extension Office

LEGAL DEBT MARGIN

December 31, 2023

The Village is a home rule municipality.

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

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Fiscal Year	(1) Population	(1) Personal Income	Per Capita Personal Income	(2) Unemployment Rate
4/30/2015	75,101	$ 3,024,842,977	$ 40,277	4.60%
2015*	75,101	3,024,842,977	40,277	4.30%
2016	75,101	3,024,842,977	40,277	4.90%
2017	75,101	3,024,842,977	40,277	4.40%
2018	75,101	3,024,842,977	40,277	3.90%
2019	75,101	3,024,842,977	40,277	3.70%
2020***	75,101	3,024,842,977	40,277	8.10% **
2021	77,676	3,987,885,840	51,340	5.30%
2022	77,676	4,185,182,880	53,880	3.60%
2023	77,676	4,560,513,312	58,712	3.60%

*For the eight months ended December 31, 2015.
**Unemployment rate (not seasonally adjusted) through March 2021
***At time of data compilation, 2020 census results were not yet available.

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

Data Sources

(1) U.S. Bureau of the Census
(2) Illinois Department of Employment Security

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

	2023			2014		
Employer	Rank	Number of Employees	Percentage of Total Village Employment	Rank	Number of Employees	Percentage of Total Village Employment
Northwest Community Healthcare	1	3,600	9.38%	2	3,617	4.82%
United Airlines	2	1,000	2.60%			
HSBC	3	1,000	2.60%			
Arlington Heights High School District # 214	4	1,000	2.60%	3	1,670	2.22%
Paddock Publications (Daily Herald)	5	500	1.30%	7	500	0.67%
Alexian Brothers Health System (AMITA)	6	500	1.30%	6	500	0.67%
Lutheran Home	7	500	1.30%	5	800	1.07%
Village of Arlington Heights	8	450	1.17%	10	427	0.57%
Buhrke Industries	9	450	1.17%			
Pace	10	450	1.17%			
Clearbrook				8	450	0.60%
Kroeschell Inc				9	450	0.60%
Nokia Siemens Networks				4	1,267	1.69%
Arlington International Racecourse (Seasonal)				1	4,500	5.99%
		9,450	24.59%		14,181	18.90%

Data Sources

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Fiscal Year	**4/30/2015**	**2015***	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
GENERAL GOVERNMENT										
Manager's office	5.00	5.00	5.00	5.50	5.50	5.50	5.50	5.50	5.50	6.00
Human resources	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50
Legal	2.75	2.75	2.75	2.75	2.75	2.75	2.75	1.75	1.75	-
Finance	18.00	18.00	17.50	17.50	17.50	17.00	17.00	16.50	16.50	16.50
IT	5.00	5.00	5.00	6.00	5.00	5.00	6.00	6.00	7.00	7.00
GIS	1.00	1.00	1.00	-	-	-	-	-	-	-
PUBLIC SAFETY										
Police										
Officers	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00	109.00
Civilian	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Fire										
Firefighters and officers	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00	108.00
Civilian	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
COMMUNITY DEVELOPMENT										
Planning and community development	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00
Building	16.50	16.50	17.00	17.00	17.50	17.50	18.00	18.00	19.00	19.00
HEALTH AND WELFARE										
Health services	9.50	9.50	10.00	10.00	9.50	9.50	9.50	9.50	9.50	9.50
Senior services	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	4.00
HIGHWAYS AND STREETS										
Public works	42.25	42.25	42.25	42.25	41.25	42.25	42.25	42.25	42.25	42.50
Engineering	10.00	10.00	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00
OTHER PUBLIC WORKS										
Water utility operations	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.75	40.50
Fleet services	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
TOTAL	427.25	427.25	428.25	428.75	426.75	426.25	427.75	426.25	428.50	429.00

*For the eight months ended December 31, 2015

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

Data Source

Village of Arlington Heights Finance Department

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	4/30/2015	2015*	2016	2017	2018	2019	2020	2021	2022	2023
PUBLIC SAFETY										
Police										
Service calls	24,148	16,527	25,919	32,732	22,875	21,823	20,084	40,787	19,547	50,681
Total crime reported	2,196	2,019	2,559	2,189	1,937	2,049	1,615	1,769	2,315	2,261
Arrests	921	558	824	657	592	840	558	599	679	583
Citations issued	29,795	19,000	27,935	24,944	23,306	21,423	12,832	17,961	22,344	19,720
Fire										
Service calls (EMS)	6,779	4,648	7,581	7,369	7,515	8,063	7,433	8,126	8,367	8,690
Service calls (non-EMS)	3,286	2,101	2,620	2,676	2,814	2,644	2,256	2,323	1,719	2,621
PUBLIC WORKS										
Snow removal (miles)	52,072	14,727	51,044	18,541	60,762	62,784	13,862	49,135	42,372	22,254
Streets resurfaced (miles)	8.10	7.45	7.08	5.80	6.00	9.73	5.50	6.45	7.10	9.00
WATER										
Water main breaks	157	228	228	240	244	252	163	188	153	169
Sewer repairs	32	60	20	13	12	15	8	16	87	108
Average daily consumption	8.20 MGD	7.58 MGD	7.51 MGD	7.41 MGD	7.41 MGD	7.41 MGD	7.33 MGD	7.11 MGD	7.57 MGD	7.66 MGD

*For the eight months ended December 31, 2015.

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

MGD - Million Gallons Daily

Data Source

Various Village Departments

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	**4/30/2015**	**2015***	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
PUBLIC SAFETY										
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Marked police vehicles	44	44	44	44	33	35	35	35	35	37
Unmarked police vehicles	17	18	19	19	29	25	25	25	25	25
Police motorcycles	4	4	4	4	4	4	4	4	4	4
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire pumpers	6	5	5	5	5	5	5	5	5	5
Fire ladder trucks	2	2	2	2	2	2	2	2	2	2
Rescue squads	4	5	4	4	4	4	4	4	4	4
Ambulances	6	6	6	6	6	6	6	6	6	6
Utility vehicles	1	1	1	1	1	1	1	1	2	2
Boats with trailer	1	1	1	1	1	1	1	1	1	1
TRS rescue trailers	1	1	1	1	1	1	1	1	-	-
Public education trailers	1	1	1	1	1	1	1	1	2	2
Hazardous material vehicles	1	1	1	1	1	1	1	1	1	1
Administrative vehicles	7	8	8	8	8	8	8	8	8	8
PUBLIC WORKS										
Streets (miles)	230	230	241	241	241	241	241	241	241	241
Streetlights	3,865	3,865	3,865	3,865	3,865	3,865	3,865	3,865	3,865	3,865
Traffic signals	9,784	9,784	9,784	9,784	9,784	9,784	9,784	9,784	9,784	9,784
WATER										
Water mains (miles)	260	260	260	260	260	260	260	263	263	263
Fire hydrants	3,318	3,318	3,318	3,318	3,329	3,318	3,318	3,318	3,318	3,318
Storage capacity (gallons)	32,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000	31,000,000
WASTEWATER										
Sanitary sewers (miles)	255	255	255	261	255	265	265	178	178	178
Storm sewers (miles)	213	213	213	228	213	236	236	195	194	194

*For the eight months ended December 31, 2015.

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

Data Source

Various Village Departments

APPENDIX B

DESCRIBING BOOK-ENTRY ONLY ISSUANCE

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds (the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Village may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Village of Arlington Heights
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the President and Board of Trustees of the Village of Arlington Heights, Cook County, Illinois (the *"Village"*), passed preliminary to the issue by the Village of its fully registered General Obligation Bonds, Series 2024 (the *"Bonds"*), to the amount of $_______________ dated the date hereof, due serially on December 1 of the years and in the principal amounts as follows:

2025	$	%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2035		%
2036		%
2037		%
2038		%
2039		%

and the Bonds due on or after December 1, 20__, being subject to redemption prior to maturity at the option of the Village as a whole or in part in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity and interest rate to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and is payable from any funds of the Village legally available for such purpose, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such Village covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX D

VILLAGE OF ARLINGTON HEIGHTS
COOK COUNTY, ILLINOIS

EXCERPTS OF FISCAL YEAR 2023 AUDITED FINANCIAL STATEMENTS RELATING TO THE VILLAGE'S PENSION PLANS

13. LESSOR DISCLOSURES (Continued)

The Village entered into a lease arrangement on January 1, 2021, to lease space. Payments ranging from $300 to $473 are due to the Village in monthly installments, through December 2030. The lease agreement is noncancelable and maintains an interest rate of 1.055%. During the fiscal year, the Village collected $3,600 and recognized a $4,761 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement are $37,253 and $33,325, respectively, as of December 31, 2023.

The Village entered into a lease arrangement on May 1, 2010, to lease space. Payments ranging from $758 to $47,425 are due to the Village in monthly installments, through April 2033. The lease agreement is noncancelable and maintains an interest rate of 1.117%. During the fiscal year, the Village collected $258,033 and recognized a $145,559 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting deferred inflow of resource for this agreement are $1,135,113 and $1,358,549, respectively, as of December 31, 2023.

14. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2022 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	83
Terminated employees entitled to benefits but not yet receiving them	-
Duty disabled participants	16
Active employees	384
TOTAL	483
Participating employers	1

d. Total OPEB Liability

The Village's total OPEB liability of $27,612,489 was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2023 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updated procedures to December 31, 2023, including updating the discount rate at December 31, 2023, as noted below.

Actuarial cost method	Entry-age normal
Actuarial value of assets	Not applicable
Salary increases	3.00%
Discount rate	3.77%
Healthcare cost trend rates	6.75% Initial 4.50% Ultimate

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

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT JANUARY 1, 2023	$ 26,110,808
Changes for the period	
Service cost	1,065,686
Interest	1,029,593
Benefit changes	-
Differences between expected and actual experience	-
Assumption changes*	783,865
Benefit payments	(1,377,463)
Net changes	1,501,681
BALANCES AT DECEMBER 31, 2023	$ 27,612,489

*There were changes in assumptions related to the discount rate in 2023.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.77% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	$ 30,682,552	$ 27,612,489	$ 24,998,934

14. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 6.75% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Healthcare Rate (6.75%)	1% Increase (7.75%)
Total OPEB liability	$ 24,405,335	$ 27,612,489	$ 31,476,969

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

For the year ended December 31, 2023, the Village recognized OPEB expense of $2,812,017. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 915,508	$ 2,644,747
Changes in assumptions	3,544,346	1,594,565
TOTAL	$ 4,459,854	$ 4,239,312

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

Year Ending December 31,	
2024	$ 716,738
2025	361,717
2026	(190,914)
2027	(206,487)
2028	(206,487)
Thereafter	(254,025)
TOTAL	$ 220,542

15. DEFINED BENEFIT PENSION PLANS

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

The table below is a summary for all pension plans as of and for the year ended December 31, 2023:

	IMRF	Police Pension	Firefighters' Pension	Total
Net pension liability	$ 16,926,241	$ 38,515,773	$ 54,278,940	$ 109,720,954
Deferred outflows of resources	15,301,214	14,193,799	13,440,702	42,935,715
Deferred inflows of resources	283,605	1,121,263	318,961	1,723,829
Pension expense	2,293,765	4,364,657	8,520,439	15,178,861

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2022, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	526
Inactive employees entitled to but not yet receiving benefits	241
Active employees	383
TOTAL	1,150

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

Benefits Provided

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

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

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The actual and required employer contribution for the year ended December 31, 2023 was 10.39% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.25%
Asset valuation method	Fair value

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2022 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	$ 207,181,158	$ 227,694,492	$ (20,513,334)
Changes for the period			
Service cost	2,607,779	-	2,607,779
Interest	14,674,957	-	14,674,957
Difference between expected and actual experience	2,645,395	-	2,645,395
Changes in assumptions	-	-	-
Employer contributions	-	3,574,965	(3,574,965)
Employee contributions	-	1,281,587	(1,281,587)
Net investment income	-	(29,082,543)	29,082,543
Benefit payments and refunds	(12,143,697)	(12,143,697)	-
Other (net transfer)	-	719,599	(719,599)
Net changes	7,784,434	(35,650,089)	43,434,523
BALANCES AT DECEMBER 31, 2022	$ 214,965,592	$ 192,044,403	$ 22,921,189

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset) (Continued)

The table presented above includes amounts for both the Village and the Library. The Village's collective shares of the net pension liability (asset) at January 1, 2022 the employer contributions, and the net pension liability at December 31, 2022, were $(15,148,152), $2,329,904, and $16,926,241, respectively. The Library's collective shares of the net pension liability (asset) at January 1, 2022, the employer contributions, and the net pension liability at December 31, 2022, were $(5,365,182), $922,862, and $5,994,948, respectively.

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

For the year ended December 31, 2023, the Village recognized pension expense of $2,293,765.

At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,620,926	$ 100,650
Changes in assumption	-	182,955
Net difference between projected and actual earnings on pension plan investments	11,350,384	-
Employer contributions subsequent to the measurement date	2,329,904	-
TOTAL	$ 15,301,214	$ 283,605

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

$2,329,904 reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending December 31,	
2024	$ (341,271)
2025	2,382,330
2026	3,948,528
2027	6,698,119
TOTAL	$ 12,687,705

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (Village)	$ 34,560,099	$ 16,926,241	$ 2,717,715
Net pension liability (Library)	12,240,520	5,994,948	962,562
Net pension liability (Total)	$ 46,800,619	$ 22,921,189	$ 3,680,277

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2023, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	125
Inactive plan members entitled to but not yet receiving benefits	11
Active plan members	109
TOTAL	245

Benefits Provided

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2023, the Village's contribution was 30.71% of covered payroll.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

<u>Police Pension Plan</u> (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities, and real estate investment trusts. The investment policy was not modified during the year ended December 31, 2023.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	33%	1.40% to 4.00%
Domestic equities	5% to 52%	4.50% to 5.10%
International equities	5%	6.30% to 6.70%
Real estate	3%	5.70%
Cash and cash equivalents	0%	0.40%

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The overall target for the Fund is approximately 35% invested in fixed income securities and 65% invested in equity securities. The long-term expected real rates of return are net of a 2.60% factor for inflation and investment expense. ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in February 2019 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2023, are listed in the table on the previous page.

Investment Concentrations

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

Investment Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2023:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	$ 36,334,490	$ 2,334,106	$ 25,413,305	$ 8,587,079	$ -
U.S. agency obligations	469,003	5,445	173,828	243,933	45,797
Corporate bonds	13,492,135	727,995	8,590,370	3,897,589	276,181
Municipal bonds	464,241	-	366,651	97,590	-
TOTAL	$ 50,759,869	$ 3,067,546	$ 34,544,154	$ 12,826,191	$ 321,978

The Fund has the following recurring fair value measurements as of December 31, 2023: the U.S. agency obligations, corporate bonds, and municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The U.S. Treasury obligations, equities, and mutual funds use Level 1 inputs.

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

Credit Risk

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk

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

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

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023 was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	$ 208,310,398	$ 159,959,904	$ 48,350,494
Changes for the period			
Service cost	3,183,044	-	3,183,044
Interest	13,676,468	-	13,676,468
Difference between expected and actual experience	2,963,434	-	2,963,434
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	3,986,418	(3,986,418)
Employee contributions	-	2,030,248	(2,030,248)
Other contributions	-	3,491	(3,491)
Net investment income	-	23,637,510	(23,637,510)
Benefit payments and refunds	(10,515,799)	(10,515,799)	-
Administrative expense	(26,299)	(26,299)	-
Net changes	9,280,848	19,115,569	(9,834,721)
BALANCES AT DECEMBER 31, 2023	$ 217,591,246	$ 179,075,473	$ 38,515,773

There were no changes to actuarial assumptions in the current year.

As of December 31, 2023, the plan fiduciary net position as a percentage of the total pension liability was 82.30%.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Interest rate	6.75%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Fair value

Mortality assumptions were based upon the PubS-2010 Base Rates projected to 2022 with Scale MP2021.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	$ 68,606,017	$ 38,515,773	$ 13,920,244

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2023, the Village recognized pension expense of $4,364,657. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 7,345,582	$ -
Changes in assumptions	3,515,842	1,121,263
Net difference between projected and actual earnings on pension plan investments	3,332,375	-
TOTAL	$ 14,193,799	$ 1,121,263

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

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

Year Ending December 31,	
2024	$ 3,476,600
2025	4,894,612
2026	6,273,062
2027	(1,807,517)
2028	235,779
Thereafter	-
TOTAL	$ 13,072,536

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2023, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	110
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	109
TOTAL	223

Benefits Provided

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

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

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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

Firefighters' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2023, the Village's contribution was 39.62% of covered payroll.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Illinois Firefighters' Pension Investment Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy requires that any funds deposited directly in financial institutions should be made with fully federally insured financial institutions and that any deposits in excess of FDIC insurance should be collateralized at 110% of the fair market value of the deposits. The collateral will be held in a safekeeping by a third party and evidenced by a written agreement.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, Illinois 60148 or at www.ifpif.org.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at December 31, 2023.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IFPIF was $138,584,922 at December 31, 2023. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at December 31, 2023. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

Investment Policy

IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2023. IFPIF is authorized to invest in all investments allowed by ILCS. The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

Investment Rate of Return

For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2023, was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2023	$ 189,539,867	$ 127,478,716	$ 62,061,151
Changes for the period			
Service cost	3,813,335	-	3,813,335
Interest	12,471,648	-	12,471,648
Difference between expected and actual experience	1,097,541	-	1,097,541
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Employer contributions	-	5,372,130	(5,372,130)
Employee contributions	-	1,217,137	(1,217,137)
Other contributions	-	11,690	(11,690)
Net investment income	-	18,563,778	(18,563,778)
Benefit payments and refunds	(8,814,870)	(8,814,870)	-
Administrative expense	(51,691)	(51,691)	-
Net changes	8,515,963	16,298,174	(7,782,211)
BALANCES AT DECEMBER 31, 2023	$ 198,055,830	$ 143,776,890	$ 54,278,940

There were no changes to actuarial assumptions in the current year.

As of December 31, 2023, the plan fiduciary net position as a percentage of the total pension liability was 72.59%.

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2023
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	Graded by years of service
Interest rate	6.75%
Cost of living adjustments	3.00% (Tier 1) 3.00% (Tier 2)
Asset valuation method	Fair value

Mortality assumptions were based upon the PubS-2010 base rates projected to 2022 with Scale MP2021.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.75% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability	$ 81,037,248	$ 54,278,940	$ 32,299,178

15. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2023, the Village recognized pension expense of $8,520,439. At December 31, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,374,100	$ 318,961
Changes in assumption	3,650,310	-
Net difference between projected and actual earnings on pension plan investments	7,416,292	-
TOTAL	$ 13,440,702	$ 318,961

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

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

Year Ending December 31,	
2024	$ 4,413,840
2025	5,538,320
2026	5,002,225
2027	(1,832,644)
2028	-
Thereafter	-
TOTAL	$ 13,121,741

15. DEFINED BENEFIT PENSION PLANS (Continued)

b. Fiduciary Funds Summary Financial Information

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

Statement of Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	$ 9,784,836	$ 5,134,988	$ 14,919,824
Investments			
U.S. Government and U.S. agency obligations	36,803,493	-	36,803,493
Equity securities	42,197,480	-	42,197,480
Mutual funds	75,848,964	-	75,848,964
Corporate bonds	13,492,135	-	13,492,135
Municipal bonds	464,241	-	464,241
Investments held in the Illinois Firefighters' Pension Investment Fund	-	138,584,922	138,584,922
Receivables			
Accrued interest	455,189	-	455,189
Due from other funds	52,686	70,905	123,591
Total assets	179,099,024	143,790,815	322,889,839
LIABILITIES			
Accounts payable	-	13,925	13,925
Deferred revenue	23,551	-	23,551
Total liabilities	23,551	13,925	37,476
NET POSITION	$ 179,075,473	$ 143,776,890	$ 322,852,363

15. DEFINED BENEFIT PENSION PLANS (Continued)

b. Fiduciary Funds Summary Financial Information (Continued)

Schedule of Changes in Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 3,986,418	$ 5,372,130	$ 9,358,548
Employee	2,030,248	1,217,137	3,247,385
Other	3,491	11,690	15,181
Total contributions	6,020,157	6,600,957	12,621,114
Invest income			
Net appreciation in fair value of investments	20,724,613	16,628,486	37,353,099
Interest income	3,286,681	2,074,829	5,361,510
Less investment expense	(373,784)	(139,537)	(513,321)
Net investment income	23,637,510	18,563,778	42,201,288
Total additions	29,657,667	25,164,735	54,822,402
DEDUCTIONS			
Administrative	26,299	51,691	77,990
Pension benefits and refunds	10,515,799	8,814,870	19,330,669
Total deductions	10,542,098	8,866,561	19,408,659
NET INCREASE	19,115,569	16,298,174	35,413,743
NET POSITION RESTRICTED FOR PENSIONS			
January 1	159,959,904	127,478,716	287,438,620
December 31	$ 179,075,473	$ 143,776,890	$ 322,852,363

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2023

	Pension Trust
ASSETS	
Cash and cash equivalents	$ 14,919,824
Investments	
U.S. Government and agency obligations	36,803,493
Equity securities	42,197,480
Mutual funds	75,848,964
Corporate bonds	13,492,135
Municipal bonds	464,241
Investments held in the Illinois Firefighters' Pension Investment Fund	138,584,922
Receivables	
Accrued interest	455,190
Due from other funds	123,590
Total assets	322,889,839
LIABILITIES	
Accounts payable	13,925
Deferred revenue	23,551
Total liabilities	37,476
NET POSITION RESTRICTED FOR PENSION BENEFITS	$ 322,852,363

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

PENSION TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended December 31, 2023

ADDITIONS	
Contributions	
Employer	$ 9,358,548
Participants	3,247,385
Other	15,181
Total contributions	12,621,114
Investment income	
Net appreciation in fair value of investments	37,353,099
Interest income	5,361,510
Subtotal	42,714,609
Less investment expense	(513,321)
Net investment income	42,201,288
Total additions	54,822,402
DEDUCTIONS	
Administrative	77,990
Pension benefits and refunds	19,330,669
Total deductions	19,408,659
NET INCREASE	35,413,743
NET POSITION RESTRICTED FOR PENSION BENEFITS	
January 1	287,438,620
December 31	$ 322,852,363

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Nine Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018*	2019	2020	2021	2022	2023
Actuarially determined contribution	$ 3,159,698	$ 3,257,572	$ 3,170,250	$ 2,473,709	$ 2,023,617	$ 2,619,117	$ 2,132,099	$ 2,199,349	$ 1,642,355
Contributions in relation to the actuarially determined contribution	3,159,698	3,257,572	3,170,250	2,473,709	2,023,617	2,619,117	2,132,099	2,199,349	1,642,355
Additional contributions	8,776	-	-	4,069	-	-	437,112	251,465	630,078
CONTRIBUTION DEFICIENCY (EXCESS)	$ (8,776)	$ -	$ -	$ (4,069)	$ -	$ -	$ (437,112)	$ (251,465)	$ (630,078)
Covered payroll	$ 24,380,386	$ 24,924,034	$ 25,690,842	$ 19,447,399	$ 20,055,727	$ 20,735,143	$ 20,200,789	$ 21,050,942	$ 21,878,375
Contributions as a percentage of covered payroll	13.00%	13.07%	12.34%	12.74%	10.09%	12.63%	12.72%	11.64%	10.39%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 21 years; the asset valuation method was five-year smoothed fair value; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually and postretirement benefit increases of 3.25% compounded annually.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Actuarially determined contribution	$ 4,222,683	$ 4,432,000	$ 2,779,725	$ 3,839,961	$ 3,878,094	$ 4,016,824	$ 4,108,483	$ 4,072,578	$ 3,757,141	$ 4,189,711
Contributions in relation to the actuarially determined contribution	4,529,400	4,500,000	4,500,000	3,994,000	5,379,000	4,017,000	4,209,000	4,073,000	4,114,000	3,986,418
CONTRIBUTION DEFICIENCY (EXCESS)	$ (306,717)	$ (68,000)	$ (1,720,275)	$ (154,039)	$ (1,500,906)	$ (176)	$ (100,517)	$ (422)	$ (356,859)	$ 203,293
Additional contributions	$ -	$ -	$ -	$ -	$ -	$ 1,500,000	$ 1,250,000	$ -	$ 2,000,000	$ -
Covered payroll	$ 9,938,967	$ 10,381,979	$ 10,722,080	$ 10,917,682	$ 11,153,797	$ 11,316,038	$ 11,175,270	$ 11,733,708	$ 12,332,522	$ 12,981,534
Contributions as a percentage of covered payroll	45.57%	43.34%	41.97%	36.58%	48.23%	35.50%	37.66%	34.71%	33.36%	30.71%

Notes to the required supplementary information

Actuarial cost method	Entry-age normal
Amortization method	Level % of pay (closed)
Remaining amortization period	17 years
Asset valuation method	Three-year smoothed fair value
Inflation	2.50%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Retirement age	Graded by age (5% at age 50 to 100% at age 65)
Mortality	PubS-2010 base rates projected to 2023 with Scale MP2021

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	**4/30/2015**	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
Actuarially determined contribution	$ 4,771,232	$ 5,055,378	$ 3,235,984	$ 4,734,724	$ 4,852,647	$ 4,952,007	$ 5,030,110	$ 4,912,161	$ 5,255,147	$ 5,880,365
Contributions in relation to the actuarially determined contribution	5,007,300	5,057,400	5,100,000	4,889,000	6,353,000	4,953,000	5,130,000	4,913,000	4,962,000	5,372,130
CONTRIBUTION DEFICIENCY (EXCESS)	$ (236,068)	$ (2,022)	$ (1,864,016)	$ (154,276)	$ (1,500,353)	$ (993)	$ (99,890)	$ (839)	$ 293,147	$ 508,235
Additional contributions	$ -	$ -	$ -	$ -	$ -	$ 1,500,000	$ 1,250,000	$ -	$ 2,000,000	$ -
Covered payroll	$ 10,022,659	$ 10,617,314	$ 10,623,394	$ 10,874,876	$ 11,626,566	$ 11,281,241	$ 11,851,132	$ 12,133,125	$ 12,439,265	$ 13,560,042
Contributions as a percentage of covered payroll	49.96%	47.63%	48.01%	44.96%	54.64%	43.90%	43.29%	40.49%	39.89%	39.62%

Notes to the required supplementary information

Actuarial cost method	Entry-age normal
Amortization method	Level % of pay (closed)
Remaining amortization period	17 years
Asset valuation method	Three-year smoothed fair value
Inflation	2.50%
Salary increases	Graded by years of service
Investment rate of return	6.75%
Retirement age	Graded by age (3% at age 50 to 100% at age 65)
Mortality	PubS-2010 base rates projected to 2023 with Scale MP2021

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE	**4/30/2015**	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**
TOTAL PENSION LIABILITY										
Service cost	$ 3,248,450	$ 1,989,231	$ 2,940,458	$ 2,941,583	$ 2,931,782	$ 3,057,662	$ 3,224,894	$ 2,907,221	$ 3,092,823	$ 3,183,044
Interest	9,147,568	6,520,521	9,907,311	10,273,549	10,728,873	11,029,601	11,492,531	11,947,829	13,092,468	13,676,468
Changes in benefit terms	-	-	-	-	-	(15,185)	-	-	-	-
Differences between expected and actual experience	325,542	(1,044,681)	(1,217,235)	495,807	(3,899,982)	1,459,100	1,302,495	3,979,655	4,680,826	2,963,434
Changes of assumptions	3,089,627	-	236,267	(712,451)	2,333,982	(107,864)	98,722	8,179,515	(1,767,196)	-
Benefit payments, including refunds and member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)	(8,919,945)	(9,658,478)	(10,296,202)	(10,515,799)
Administrative expense	-	-	-	-	-	(37,141)	(53,509)	(52,684)	(31,926)	(26,299)
Net change in total pension liability	10,389,616	3,629,697	5,813,055	6,391,367	4,957,774	7,321,504	7,145,188	17,303,058	8,770,793	9,280,848
Total pension liability - beginning	136,588,346	146,977,962	150,607,659	156,420,714	162,812,081	167,769,855	175,091,359	182,236,547	199,539,605	208,310,398
TOTAL PENSION LIABILITY - ENDING	$ 146,977,962	$ 150,607,659	$ 156,420,714	$ 162,812,081	$ 167,769,855	$ 175,091,359	$ 182,236,547	$ 199,539,605	$ 208,310,398	$ 217,591,246
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 4,529,400	$ 4,500,000	$ 4,500,000	$ 3,994,000	$ 5,379,000	$ 5,267,000	$ 4,209,000	$ 4,073,000	$ 6,114,000	$ 3,986,418
Contributions - member	986,380	691,981	1,036,023	1,151,412	1,144,554	1,304,981	1,210,559	1,146,864	1,224,154	2,030,248
Contributions - other	276,199	4,776	355,856	1,127	11,828	5,650	748	530,584	873,309	3,491
Net investment income	7,837,174	(1,016,522)	6,685,207	17,098,096	(6,034,752)	26,104,148	18,366,519	26,574,971	(23,697,367)	23,637,510
Benefit payments, including refunds of member contributions	(5,421,571)	(3,835,374)	(6,053,746)	(6,607,121)	(7,136,881)	(8,064,669)	(8,919,945)	(9,658,478)	(10,296,202)	(10,515,799)
Administrative expense	(32,090)	(27,218)	(37,365)	(43,276)	(34,640)	(37,166)	(53,509)	(52,684)	(31,926)	(26,299)
Net change in plan fiduciary net position	8,175,492	317,643	6,485,975	15,594,238	(6,670,891)	24,579,944	14,813,372	22,614,257	(25,814,032)	19,115,569
Plan fiduciary net position - beginning	99,863,906	108,039,398	108,357,041	114,843,016	130,437,254	123,766,363	148,346,307	163,159,679	185,773,936	159,959,904
PLAN FIDUCIARY NET POSITION - ENDING	$ 108,039,398	$ 108,357,041	$ 114,843,016	$ 130,437,254	$ 123,766,363	$ 148,346,307	$ 163,159,679	$ 185,773,936	$ 159,959,904	$ 179,075,473
EMPLOYER'S NET PENSION LIABILITY	$ 38,938,564	$ 42,250,618	$ 41,577,698	$ 32,374,827	$ 44,003,492	$ 26,745,052	$ 19,076,868	$ 13,765,669	$ 48,350,494	$ 38,515,773

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Plan fiduciary net position as a percentage of the total pension liability	73.51%	71.95%	73.42%	80.12%	73.77%	84.73%	89.53%	93.10%	76.79%	82.30%
Covered payroll	$ 9,938,967	$ 10,381,979	$ 10,722,080	$ 10,917,682	$ 11,153,797	$ 11,316,038	$ 11,175,270	$ 11,733,708	$ 12,332,522	$ 12,981,534
Employer's net pension liability as a percentage of covered payroll	391.80%	407.00%	387.80%	296.50%	394.50%	236.30%	170.70%	117.30%	392.10%	296.70%

Notes to Required Supplementary Information

Year Ended December 31, 2023 - There were no changes in assumptions.

Year Ended December 31, 2022 -There were changes in assumptions related to mortality rates.

Year Ended December 31, 2021 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2020 - There were changes in assumptions related to mortality rates.

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

Year Ended December 31, 2018 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2017 - There were changes in assumptions related to retirement rates and termination rates.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Ten Fiscal Years

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
TOTAL PENSION LIABILITY										
Service cost	$ 3,320,273	$ 2,190,940	$ 3,459,315	$ 3,419,246	$ 3,524,860	$ 3,677,732	$ 3,703,881	$ 3,758,807	$ 4,066,105	$ 3,813,335
Investment income	8,688,821	6,058,901	9,234,329	9,618,402	9,793,838	10,133,648	10,454,457	10,772,140	11,801,187	12,471,648
Changes in benefit terms	-	-	-	-	-	(140,839)	-	-	-	-
Differences between expected and actual experience	(1,433,511)	1,574	(1,336,382)	(2,422,578)	(843,543)	(1,350,024)	(1,740,361)	780,407	2,063,546	1,097,541
Changes of assumptions	2,059,344	-	228,889	(1,287,282)	(832,861)	(113,594)	99,604	8,242,761	805,981	-
Benefit payments, including refunds and member contributions	(5,795,896)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)	(7,617,823)	(7,913,187)	(8,508,695)	(8,814,870)
Administrative expense	-	-	-	-	-	(28,405)	(28,116)	(73,219)	(129,528)	(51,691)
Net change in total pension liability	6,839,031	4,304,996	5,363,456	2,775,236	4,810,079	4,968,241	4,871,642	15,567,709	10,098,596	8,515,963
Total pension liability - beginning	129,940,881	136,779,912	141,084,908	146,448,364	149,223,600	154,033,679	159,001,920	163,873,562	179,441,271	189,539,867
TOTAL PENSION LIABILITY - ENDING	$ 136,779,912	$ 141,084,908	$ 146,448,364	$ 149,223,600	$ 154,033,679	$ 159,001,920	$ 163,873,562	$ 179,441,271	$ 189,539,867	$ 198,055,830
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 5,007,300	$ 5,057,400	$ 5,100,000	$ 4,889,000	$ 6,353,000	$ 6,203,000	$ 5,130,000	$ 4,913,000	$ 6,962,000	$ 5,372,130
Contributions - member	967,685	689,993	989,862	1,021,422	1,065,390	1,097,478	1,141,126	1,145,403	1,168,906	1,217,137
Contributions - other	1,451	21,628	20	5,406	641	1,299	6,208	94,381	-	11,690
Net investment income	6,263,908	(2,559,246)	6,915,387	12,680,482	(3,662,611)	17,090,656	13,683,719	14,996,271	(21,375,427)	18,563,778
Benefit payments, including refunds of member contributions	(5,795,897)	(3,946,419)	(6,222,695)	(6,552,552)	(6,832,215)	(7,210,277)	(7,617,823)	(7,913,187)	(8,508,695)	(8,814,870)
Administrative expense	(35,679)	(62,395)	(62,158)	(27,283)	(28,953)	(28,405)	(28,116)	(73,219)	(129,528)	(51,691)
Net change in plan fiduciary net position	6,408,768	(799,039)	6,720,416	12,016,475	(3,104,748)	17,153,751	12,315,114	13,162,649	(21,882,744)	16,298,174
Plan fiduciary net position - beginning	85,488,074	91,896,842	91,097,803	97,818,219	109,834,694	106,729,946	123,883,697	136,198,811	149,361,460	127,478,716
PLAN FIDUCIARY NET POSITION - ENDING	$ 91,896,842	$ 91,097,803	$ 97,818,219	$ 109,834,694	$ 106,729,946	$ 123,883,697	$ 136,198,811	$ 149,361,460	$ 127,478,716	$ 143,776,890
EMPLOYER'S NET PENSION LIABILITY	$ 44,883,070	$ 49,987,105	$ 48,630,145	$ 39,388,906	$ 47,303,733	$ 35,118,223	$ 27,674,751	$ 30,079,811	$ 62,061,151	$ 54,278,940

MEASUREMENT DATE	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Plan fiduciary net position as a percentage of the total pension liability	67.19%	64.57%	66.79%	73.60%	69.29%	77.91%	83.11%	83.24%	67.26%	72.59%
Covered payroll	$ 10,022,659	$ 10,617,314	$ 10,623,394	$ 10,874,876	$ 11,626,566	$ 11,281,241	$ 11,851,132	$ 12,133,125	$ 12,439,265	$ 13,560,042
Employer's net pension liability as a percentage of covered payroll	447.80%	470.80%	457.80%	362.20%	406.90%	311.30%	233.50%	247.90%	498.90%	400.30%

Notes to Required Supplementary Information

Year Ended December 31, 2023 - There were no changes in assumptions.

Year Ended December 31, 2022 -There were changes in assumptions related to mortality rates.

Year Ended December 31, 2021 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2020 - There were changes in assumptions related to mortality rates.

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

Year Ended December 31, 2018 - There were changes in assumptions related to mortality rates.

Year Ended December 31, 2017 - There were changes in assumptions related to retirement rates and termination rates.

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Nine Fiscal Years

MEASUREMENT DATE DECEMBER 31,	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Employer's proportion of net pension liability (asset)	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%	73.85%
Employer's proportionate share of net pension liability (asset)	$ 10,753,457	$ 16,955,133	$ 17,742,985	$ 3,784,058	$ 22,559,933	$ 10,898,733	$ 44,609	$ (15,148,152)	$ 16,926,241
Employer's covered payroll	18,004,915	18,148,759	18,553,451	19,122,774	19,447,399	20,055,727	20,735,143	20,735,143	20,200,789
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	59.73%	93.42%	95.63%	19.79%	116.00%	54.34%	0.22%	(73.06%)	83.79%
Plan fiduciary net position as a percentage of the total pension liability	90.96%	86.40%	86.35%	97.10%	83.82%	92.46%	99.97%	109.90%	89.34%

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

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020	2021	2022	2023
TOTAL OPEB LIABILITY						
Service cost	$ 650,191	$ 570,040	$ 741,577	$ 787,662	$ 844,877	$ 1,065,686
Interest	726,304	983,165	779,169	536,660	506,620	1,029,593
Benefit changes	-	-	(866,236)	-	-	-
Changes in assumptions	(1,191,261)	3,921,667	2,213,789	506,106	(1,824,294)	783,865
Differences between expected and actual experience	3,749,195	-	(3,274,902)	-	(346,840)	-
Implicit benefit payments	(1,028,719)	(1,107,830)	(1,134,306)	(1,053,223)	(1,206,430)	(1,377,463)
Net change in total OPEB liability	2,905,710	4,367,042	(1,540,909)	777,205	(2,026,067)	1,501,681
Total OPEB liability - beginning	21,627,827	24,533,537	28,900,579	27,359,670	28,136,875	26,110,808
TOTAL OPEB LIABILITY - ENDING	$ 24,533,537	$ 28,900,579	$ 27,359,670	$ 28,136,875	$ 26,110,808	$ 27,612,489
Covered-employee payroll	$ 44,727,544	$ 41,876,464	$ 41,370,995	$ 42,612,126	$ 41,364,577	$ 42,605,514
Employer's total OPEB liability as a percentage of covered-employee payroll	54.85%	69.01%	66.13%	66.03%	63.12%	64.81%

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

There was a change in assumptions related to the discount rate, mortality assumptions, and the withdrawal, disability, and retirement rates in 2018.

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

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

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

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

There was a change in assumptions related to the discount rate and healthcare cost trend rates in 2022.

There was a change in assumptions related to the discount rate in 2023.

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

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Annual money-weighted rate of return, net of investment expense	8.06%	(4.74%)	6.28%	14.90%	(5.03%)	21.27%	13.37%	16.60%	(12.52%)	15.53%

VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	4/30/2015	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
Annual money-weighted rate of return, net of investment expense	11.52%	(2.50%)	7.70%	13.24%	(3.35%)	16.55%	11.30%	(13.43%)	3.19%	13.40%

OFFICIAL BID FORM

(Open Speer Auction)

Village of Arlington Heights
33 South Arlington Heights Road
Arlington Heights, Illinois 60005

September 16, 2024
Speer Financial, Inc.

Village President and Board of Trustees:

For the $18,755,000* General Obligation Bonds, Series 2024 (the "Bonds"), of the Village of Arlington Heights, Cook County, Illinois (the "Village"), as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you $________ (no less than $18,567,450). The Bonds are dated the date of delivery, expected to be on or about October 2, 2024. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The premium or discount, if any, is subject to adjustment allowing the same $__________ gross spread per $1,000 bond as bid herein.**

MATURITIES* – DECEMBER 1

2025	$ 310,000	2033	$1,175,000
2026	965,000	2034	1,235,000
2027	1,215,000	2035	795,000
2028	1,275,000	2036	835,000
2029	1,345,000	2037	1,775,000
2030	950,000	2038	1,845,000
2031	1,520,000	2039	1,920,000
2032	1,595,000		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by CUSIP Global Services and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the Village's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the Village in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds to any conditions, except as permitted by the Official Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. If the Competitive Sale Requirements are not met, we select the following rule to establish the issue price of the maturities of the Bonds for which 10% is not sold to the Public on the date hereof, applied on a maturity-by-maturity basis:

_______ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: _______________________
_______ Hold-the-Offering-Price Rule: the Initial Offering Price of that maturity for the following maturities: _______________________

The Bonds are to be accompanied by the unqualified approving legal opinions of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the Village which will affect the validity or security of the Bonds. Attorneys' fees, Rating Agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the Registrar, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the Village. The costs of issuance of the Bonds may be distributed by the Winning Bidder on behalf of the Village from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the Village.

Form of Deposit (Check One)

Prior to Bid Opening:
Certified/Cashier's Check [ ]
Wire Transfer [ ]

Within **TWO hours** of Bidding:
Wire Transfer [ ]

Amount: $375,100

Account Manager Information

Name ____________________________________

Address __________________________________

By ______________________________________

City _______________ State/Zip _____________

Direct Phone (______) ______________________

FAX Number (______) ______________________

E-Mail Address ____________________________

Bidders Option Insurance

We have purchased insurance from:

Name of Insurer
(Please fill in)

____

Premium: _____________

Maturities: (Check One)

[__] _____________Years

[__] All

The foregoing bid was accepted and the Bonds sold by ordinance of the Village on September 16, 2024, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF ARLINGTON HEIGHTS, COOK COUNTY, ILLINOIS

____
Village President

**Subject to change.*

---------------------- **NOT PART OF THE BID** ----------------------
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	$	
Less Premium/Plus Discount	$	
True Interest Cost	$	
True Interest Rate	%	
TOTAL BOND YEARS	169,278.74	
AVERAGE LIFE	9.026 Years	

OFFICIAL NOTICE OF SALE

$18,755,000*
VILLAGE OF ARLINGTON HEIGHTS
Cook County, Illinois
General Obligation Bonds, Series 2024

(Open Speer Auction)

The Village of Arlington Heights, Cook County, Illinois (the "Village"), will receive electronic bids on the SpeerAuction ("*SpeerAuction")* website address "www.SpeerAuction.com" for its $18,755,000* General Obligation Bonds, Series 2024 (the "Bonds"), on an all or none basis between 11:15 A.M. and 11:30 A.M., C.D.T., Monday, September 16, 2024. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Village's sale (as described below). Award will be made or all bids rejected at a meeting of the Village on that date. The Village reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds are valid and legally binding upon the Village and are payable from any funds of the Village legally available for such purpose, and all taxable property of the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

(1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the Village shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

(2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.

(3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.

(4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.

(5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)

(6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

Establishment of Issue Price

(a) The winning bidder shall assist the Village in establishing the issue price of the Bonds and shall execute and deliver to the Village at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Village and Bond Counsel. All actions to be taken by the Village under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Village by the Village's municipal advisor and any notice or report to be provided to the Village may be provided to Speer Financial, Inc., Chicago, Illinois (*"Speer"*).

(b) The Village intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

**Subject to change.*

(i) the Village shall disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
(ii) all bidders shall have an equal opportunity to bid;
(iii) the Village may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
(iv) the Village anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the Village shall so advise the winning bidder. **The Village will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the "hold the offering price rule" (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering-price rule" as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the "hold-the-offering-price rule" (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the "hold-the-offering-price rule" at or prior to the time the Bonds are awarded.

(i) If the winning bidder does not request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The Village shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Village the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the purchaser shall provide the Village with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Bonds of such maturity.

(ii) If the winning bidder does request that the "hold-the-offering-price rule" apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The Village may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the Village if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Village shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the Village determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the *"initial offering price"*), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

**Subject to change.*

(1) the close of the fifth business day after the Sale Date; or
(2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

(d) The Village acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Village further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Bonds.

(e) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of the fifth business day following the date of the award.

(f) Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "Public" means any person other than an Underwriter or a Related Party,
(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the Village (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
(iv) "Sale Date" means the date that the Bonds are awarded by the Village to the winning bidder.

**Subject to change.*

Rules

(1) A bidder ("Bidder") submitting a winning bid ("Winning Bid") is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Village, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Village.

(2) Neither the Village, Speer, nor Grant Street Group (the "Auction Administrator") is responsible for technical difficulties that result in loss of Bidder's internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

(3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Village exercises its right to reject bids, as set forth herein.

(4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.

(5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.

(6) Neither the Village, Speer, nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.

(7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.

(8) Neither the Village, Speer, nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.

(9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.

(10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the Village. If, for any reason, the Village fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the Village, Speer, nor the Auction Administrator will be liable for damages.

The Village reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Village reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of $5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the fifteenth day of the month next preceding any interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Kansas City, Missouri. Semiannual interest is due June 1 and December 1 of each year commencing June 1, 2025, and is payable by UMB Bank, National Association, Kansas City, Missouri (the "Bond Registrar"). The Bonds are dated the date of delivery, expected to be on or about October 2, 2024.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the Village will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – DECEMBER 1

2025	$ 310,000	2033	$1,175,000
2026	965,000	2034	1,235,000
2027	1,215,000	2035	795,000
2028	1,275,000	2036	835,000
2029	1,345,000	2037	1,775,000
2030	950,000	2038	1,845,000
2031	1,520,000	2039	1,920,000
2032	1,595,000		

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

**Subject to change.*

The Bonds due December 1, 2025-2033, inclusive, are not subject to optional redemption. The Bonds due December 1, 2034-2039, inclusive, are callable in whole or in part and on any date on or after December 1, 2033, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in any order of maturity as determined by the Village and within any maturity by lot.

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. No coupon rate shall exceed five percent (5%). The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than $18,567,450.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Village as determined by the Village's Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Village reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per $1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Village's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Village or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the Village's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the Village. The Village reserves the right to award the Bonds to a bidder whose wire transfer is initiated but not received within such two hour time period provided that such bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the Village may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the Village pending delivery of the Bonds and all others, if received, will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Official Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA (for wires only) # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Village of Arlington Heights, Cook County, Illinois
Bid for $18,755,000* General Obligation Bonds, Series 2024

**Subject to change.*

Contemporaneously with such wire transfer, the winning bidder shall send an email to biddingescrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The Village and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to such bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the Village; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) no interest on the Deposit will accrue to the winning bidder.

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Bonds.

The winning bidder shall provide a certificate, in form as set forth in **Exhibit A**, to evidence the issue price of each maturity of the Bonds, form of which certificate is available upon request.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Village in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Village in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about October 2, 2024. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Village shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for bond counsel's opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Bond Counsel, that the Bonds are lawful and enforceable obligations of the Village in accordance with their terms; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the Village.

The Village **does not intend** to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**Subject to change.*

The Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Thomas Kuehne, Finance Director, Village of Arlington Heights, 33 South Arlington Heights Road, Arlington Heights, Illinois 60005, or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar" from the Municipal Advisor to the Village, Speer Financial, Inc., 230 W. Monroe Street, Suite 2630, Chicago, Illinois 60606, telephone (312) 346-3700.

/s/ ______________________________________
Village President
VILLAGE OF ARLINGTON HEIGHTS
Cook County, Illinois

**Subject to change.*

Exhibit A

CERTIFICATE OF PURCHASER

The undersigned, on behalf of ______________ (the *"Purchaser"*), hereby certifies as set forth below with respect to the sale and issuance of the $___________ General Obligation Bonds, Series 2024 (the *"Bonds"*), of the Village of Arlington Heights, Cook County, Illinois (the *"Village"*).

I. GENERAL

On the Sale Date, the Purchaser purchased the Bonds from the Village by submitting electronically an "Official Bid Form" responsive to an "Official Notice of Sale" and having its bid accepted by the Village. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. PRICE

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the *"Expected Offering Prices"*). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A*.

3 Bids Not Received: 10% Test Applies

[3. With respect to each of the ____________ Maturities of the Bonds.

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the *"Expected First Sale Price"*).]

3 Bids Not Received: Hold-the-Offering-Price Rule Applies

[3. Hold-the-Offering-Price Maturities.

(a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the *"Initial Offering Prices"*) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit C*.

(b) As set forth in the Official Notice of Sale and bid award, the Purchaser agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the *"Hold-the-Offering-Price Rule"*), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

(c) No Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.]

III. DEFINED TERMS

[(a) *"General Rule Maturities"* means those Maturities of the Bonds not listed in *Exhibit A* hereto as the "Hold-the-Offering-Price Maturities."

(b) *"Hold-the-Offering-Price Maturities"* means those Maturities of the Bonds listed in *Exhibit A* hereto as the "Hold-the-Offering-Price Maturities."

(c) *"Holding Period"* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (said fifth business day being ____________, 2024), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *"Maturity"* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *"Public"* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(f) A person is a *"Related Party"* to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) *"Sale Date"* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is ________________, 2024.

(h) "*Underwriter"* means (i) any person that agrees pursuant to a written contract with the Village (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

IV. REPRESENTATIONS

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Village with respect to certain of the representations and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in connection with rendering its opinion concerning interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Village from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this ____ day of __________, 2024.

____

________, _________

By:_____________________________________

Title:_________________________________

EXHIBIT A

The Bonds are dated __________, 2024, and are due on December 1 of the years and in the amounts, bear interest at the rates and were sold and offered to the Public as described in the attached Certificate of Purchaser as follows:

Hold-the-Offering Price Maturity if Marked (*)	Year	Principal Amount ($)	Interest Rate (%)	Expected Offering Price (% of Par)	First Sale Price of at least 10% (% of Par)	Expected First Sale Price (% of Par)	Initial Offering Price (% of Par)	Total Issue Price (%)	Total Issue Price ($)
	Total								

EXHIBIT B

PURCHASER'S BID

[EXHIBIT C

PRICING WIRES]