

CITY OF  
HIGHLAND PARK  
ILLINOIS



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

FOR YEAR ENDED  
DECEMBER 31, 2020

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF HIGHLAND PARK, ILLINOIS**

As of and for the Year Ended December 31, 2020

Prepared by Finance Department

Julie Logan, Finance Director

# CITY OF HIGHLAND PARK

## TABLE OF CONTENTS As of and for the Year Ended December 31, 2020

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	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i - v
Certificate of Achievement for Excellence in Financial Reporting	vi
Organizational Chart	vii
List of Elected and Appointed Officials	viii
<b>FINANCIAL SECTION</b>	
<b><i>INDEPENDENT AUDITORS' REPORT</i></b>	1 - 3
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
Management's Discussion and Analysis	4 - 15
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
Government-Wide Financial Statements	
Statement of Net Position	16 - 17
Statement of Activities	18 - 19
Fund Financial Statements	
Balance Sheet - Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Net Position - Proprietary Funds	24 - 25
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	26
Statement of Cash Flows - Proprietary Funds	27 - 28
Statement of Fiduciary Net Position - Fiduciary Funds	29
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	30
Index to Notes to Financial Statements	31
Notes to Financial Statements	32 - 94
<b><i>REQUIRED SUPPLEMENTARY INFORMATION</i></b>	
<b><i>General Fund</i></b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	95

# CITY OF HIGHLAND PARK

## TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2020

---

	<u>Page(s)</u>
<b><i>REQUIRED SUPPLEMENTARY INFORMATION (cont.)</i></b>	
<b><i>Special Revenue Funds</i></b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Safety Pension Levy Fund	96
<b><i>Historical Pension Information and Other Post Employment Benefit Information</i></b>	
Illinois Municipal Retirement Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	97 - 99
Illinois Municipal Retirement Fund - Schedule of Employer Contributions	100
Police Pension Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	101
Police Pension Fund - Schedule of Employer Contributions	102
Police Pension Fund - Schedule of Investment Returns	103
Firefighters' Pension Fund - Schedule of Changes in the City's Net Pension Liability and Related Ratios	104
Firefighters' Pension Fund - Schedule of Employer Contributions	105
Firefighters' Pension Fund - Schedule of Investment Returns	106
Retiree Health Insurance Plan - Schedule of Changes in the Total OPEB Liability and Related Ratios	107
Notes to Required Supplementary Information	108
<b><i>SUPPLEMENTARY INFORMATION</i></b>	
<b><i>General Fund</i></b>	
Detailed Schedule of Expenditures - Budget and Actual - General Fund	109 - 111
<b><i>Governmental Funds</i></b>	
Combining Balance Sheet - Nonmajor Governmental Funds	112 - 113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	114 - 115
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Motor Fuel Tax Fund	116
Emergency 911 System Fund	117
Environmental Sustainability Fund	118
Multi-Modal Transportation Fund	119
Affordable Housing Fund	120
Debt Service Fund	121

# CITY OF HIGHLAND PARK

## TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2020

---

	<u>Page(s)</u>
<b><i>SUPPLEMENTARY INFORMATION (cont.)</i></b>	
Tax Increment Financing - Ravina Fund	122
Tax Increment Financing - Briergate Fund	123
Capital Projects Fund	124
Statement of Revenues, Expenses and Changes in Fund Net Position - Budget and Actual	
Water Fund - Budgetary Basis	125
Sewer Fund - Budgetary Basis	126
Motor Vehicle Parking System Fund - Budgetary Basis	127
Combining Statement of Net Position - Internal Service Funds	128 - 129
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	130
Combining Statement of Cash Flows - Internal Service Funds	131 - 132
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	
Equipment Maintenance and Replacement Fund - Budgetary Basis	133
Insurance Fund - Budgetary Basis	134
Combining Statement of Fiduciary Net Position - Pension Trust Funds	135
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	136
<b>STATISTICAL SECTION</b>	
Statement of Net Position by Component - Last Ten Fiscal Years	137
Fund Balances of Governmental Funds - Last Ten Fiscal Years	138
Change in Net Position - Last Ten Fiscal Years	139 - 141
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	142 - 143
Assessed Value and Actual Value of Taxable Property	144
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Levy Years	145
Principal Taxpayers - Current Year and Nine Years Prior	146
Property Tax Levies and Collections - Last Ten Levy Years	147
Sales Tax Analysis by Sic Code - Last Ten Calendar Years	148
Sales Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years	149
Ratio of General Bonded Debt to Equalized Assessed Valuation and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years	150
Outstanding Debt by Type and Ratio of Total Debt - Last Ten Fiscal Years	151

# CITY OF HIGHLAND PARK

## TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2020

---

	<u>Page(s)</u>
<b>STATISTICAL SECTION (cont.)</b>	
Schedule of Direct and Overlapping Debt	152
Schedule of Legal Debt Margin	153
Demographic Statistics - Last Ten Fiscal Years	154
Principal Employers - Current Year and Nine Years Prior	155
Operating Information and Indicators - Last Ten Fiscal Years	156
Capital Asset Statistics - Last Ten Fiscal Years	157
Full-Time Equivalent Employees - Last Ten Fiscal Years	158



# City of Highland Park

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Highland Park, Illinois 60035  
847.432.0800  
cityhpil.com

June 1, 2021

To the Mayor, City Council and the Citizens of Highland Park:

This Comprehensive Annual Financial Report (Financial Report) details information from the audited financial statements of the City of Highland Park for the fiscal year ending December 31, 2020. The Financial Report is prepared and published within six months of the close of each fiscal year, consistent with State law. The City Manager and Department Directors operate based on a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse of public funds. Comprehensive financial policies and procedures are adhered to and financial statements are prepared consistent with Generally Accepted Accounting Principles (GAAP), which allows for providing a reasonable basis for making these representations. The City's objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements, given the cost of internal controls should not outweigh the anticipated benefits of such controls. We assert that, to the best of our knowledge and belief, this Financial Report is complete and reliable in all material respects.

Baker Tilly US, LLP, Independent Certified Public Accountants, issued an unmodified opinion on the City's financial statements for the fiscal year ended December 31, 2020. This is the highest standard of opinion that a municipality can achieve. The independent auditors' report is presented at the front of the financial section of this Financial Report. Management's Discussion and Analysis (MD&A), which immediately follows the independent auditors' report, provides a narrative introduction, overview, and analysis of the basic financial statements.

The City conducted a comprehensive analysis of the City's financial situation in response to the coronavirus pandemic economic conditions occurring in 2020 and continues with on-going review and analysis into 2021. It managed 2020 actuals and developed a 2021 budget that reflect decreases in revenue and fund balances. The City took steps to ensure fiscal sustainability in 2020, in preparing the 2021 budget, and in estimating longer term impacts by offering economic incentives to residents and businesses; reducing expenditures; deferring non-essential expenditures; pursuing shared services, joint bidding and increased efficiency in operations; pursuing federal and state grants; reducing the City's work force and analyzing fees to ensure appropriate cost recovery.

## ***Profile of the Government***

The City of Highland Park, incorporated in 1869, has a long-standing heritage as one of the prestigious communities within Chicagoland's Lake Michigan north shore. The City occupies a land area of 12.25 square miles, located 26 miles north of Chicago, and serves a population of 29,515. The City became a home-rule unit of government when the 1970 Illinois Constitution was adopted because it had a population in excess of 25,000. As a home-rule entity, the City does not have tax rate limits or debt limits, and is not required to conduct a referendum to authorize the issuance of debt or to increase property taxes.



The City has operated under the council-manager form of government since 1955. Policy-making and legislative authority are vested in a seven-member Council composed of a mayor and six council members elected on an at-large basis for four year, staggered terms. The City Council appoints the City Manager, City Clerk, and Corporation Counsel. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the directors of the City's six departments (City Manager's Office, Community Development, Finance, Fire, Police, and Public Works).

The City has priorities of fiscal stability, public safety, infrastructure investment, and community vibrancy. The City provides police; fire and emergency medical services; community and business development; construction and maintenance of streets and other public infrastructure; water, sewer, and parking services; local transit service; and senior services. The Financial Report includes the activities of the Public Safety Pension Funds, the Highland Park Public Library, and the Housing Associations, although independent boards manage these funds.

The City's strategic plan and annual budget are the foundation for the City's financial planning and control. City staff submit requests for appropriation to the City Manager and Finance Director so that a budget may be prepared. City Council and Senior Staff establish a budget based on the City's priorities, input from the public, and proposed objectives that are fiscally responsible, have the highest priority, and the greatest positive community impact. The budget process begins in the spring and City staff present the proposed budget to the City Council in October. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than December 31, the close of the City's fiscal year. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager is authorized to transfer budgeted amounts within departments of any fund. The City Council must approve budget revisions that alter the total expenditures of any department or fund. Budget-to-actual comparisons are provided in this Financial Report for each individual governmental and proprietary fund for which an annual budget has been adopted. A schedule of detailed expenditures comparing budget and actual information for the General Fund at the function, department, and program level, is also provided.

### ***Local Economy***

The City continued to realize economic strength in 2020, although pandemic economic impacts resulted in downward pressure on revenue, consistent with other local municipalities, of \$5.5 million vs. the City's 2020 adopted budget, significantly in sales tax; license, permit, and registration revenue; charges for services; business taxes; investment income; and other general taxes. The pandemic economic impact realized in 2020 was less than the impact of \$10 million, which the City estimated in mid-2020, and much less than the impact from the great recession of 2008-2009. The City continues to realize strong economic conditions in construction and real estate, consumer spending, and business spending.

Sales were strong with sales tax revenue of \$12.3 million in 2020. Although sales tax revenue was down \$1.3 million from 2019 due to the pandemic, it was \$1.2 million higher than 2009 and only 5% less than the City's most recent 10-year average of \$12.9 million. 96% of the year-to-year decline occurred in Automotive and Filing Stations, Drinking and Eating Places, and Apparel, consistent with national trends of consumers not going out or traveling due to the pandemic.

Real estate transfer tax revenues of \$2.3 million significantly accelerated in strength with a 37.6% increase from 2019. The City's assessed valuation was 2.2% lower from 2019 to 2020. The City has continued stability in property value for the City's tax base properties, although is being impacted by national and regional economic impacts to higher end property value.





Retail occupancy decreased from 88.3% at the start of 2020 to 85.3% at the close of 2020. This 3% decrease in occupancy includes retail properties currently under contract that will go through change of use as they are redeveloped. The City has an aggressive Business Development Strategic Plan that guides activities to enhance the business and economic climate of the City. The City's Business Development Office (BDO) coordinated with property owners and businesses to attract and retain businesses by providing support, economic development incentives, and resources. Efforts to maintain and enhance the desirability and economic vitality of the City's main business districts included three Special Service Areas (SSA), which are self-imposed taxes by property owners in the area to fund such activities, and two Tax Increment Financing (TIF) districts for redevelopment of one the areas within the TIF boundaries:

- SSA 17 focuses on the Ravinia Business District (RBD) comprised of 29 properties, was enacted in 2013, and was renewed for another three-year term through December 2020 and then again through December 2022. RBD property owners initiated special events to market the RBD.
- SSA 18 focuses on the Briergate Business Association District (BBAD), comprised of 68 properties, and was enacted in 2013 for a 10-year term. Briergate Business Association District property owners continued to fund physical improvement efforts during the year.
- SSA 19 focuses on marketing and improving the economic vitality of the City's Central Business District (CBD). Collaboration between businesses, property owners, a CBD Alliance, and the City encourages local spending, tourism, and a sense of community through promotion of the CBD.
- TIFs 3 and 4 focus on streetscape for the RBD and underdeveloped areas of the BBAD, respectively. TIF 4 was enacted in December of 2018 to encourage future redevelopment of certain sites for more market oriented commercial, industrial and residential uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. Illinois law allows local governments to designate areas within their jurisdiction as TIF districts. These specially-designated districts are used to spur economic growth. Through a TIF, private sector investment is incentivized to advance infrastructure and other improvements to a district thereby increasing property values and tax revenue in the area. TIF captures the difference in existing property tax revenue and future (higher) property tax revenue, after improvements have been made, to finance the cost of the improvements.

Proactive efforts by the City's elected officials and staff in times of economic growth have continued to ensure adequate reserves for sustaining service levels during periods of economic and state legislative uncertainty. With a clear emphasis on maintaining healthy reserves and a desire to ensure operating expenditures can be sustained at the current level of revenues, the 2021 budget was developed under a comprehensive set of Financial and Budgetary Policies. Significant effort was made to ensure transparency, clarity and long-term financial sustainability, as well as connectivity between revenue sources and expenditures within the fund structure.

The City's long-term economic outlook remains favorable, although the City is experiencing short-term economic impacts from the pandemic. The average unemployment rate for the City was 7.5%, comparable to the State of Illinois rate of 7.4% and below the Lake County rate of 8.6%, as sourced from the Bureau of Labor Statistics. Lake County had the lowest unemployment rate of any Illinois county in the Chicago area. The pandemic drove up unemployment rates in 2020 across the state, as is being reported across the U.S. Normal unemployment rates for the City, Lake County, and the State of Illinois are 2-3%, 4-5%, and 3-4%, respectively.

The U.S. Census Bureau five-year estimated values reported that the median value of the City's owner-occupied homes was \$584,500. This compares to \$265,100 for the County and \$194,500 for the State. The City had average and median household incomes of \$231,170 and \$150,269, respectively, according to the U.S. Census Bureau American Community Survey estimates 2014 to 2019, which placed the City among the nation's wealthiest communities with populations of 25,000 or more.



Economic and state legislative trends are monitored to gauge the potential impact on the City's budget. Expenditures are consistently reduced and deferred whenever necessary and possible, and privatization and shared services are considered when a cost savings and consistent level of service can be achieved.

### ***Long-Term Financial Planning***

The City continues to plan for its future to preserve the outstanding quality of life enjoyed by the residents and to ensure a high level of service to the community. The City continues to impose an additional one-half percent home-rule sales tax on the sale of general merchandise. This incremental tax yields approximately \$3-4 million in additional sales tax revenue per year, and has been used to fund infrastructure and operating improvements.

The City continues an aggressive investment in infrastructure improvements, committing \$9.8 million in 2021 for street, bridge, sanitary sewer, ravine remediation, storm sewer, water utility, water meter replacement, and other infrastructure improvements. A portion of water revenues are pledged for capital improvements, and related debt service, each year, in addition to the water production and distribution systems. The annual budget preparation process includes the development of a 10-year capital improvement program to ensure adequate long-term financial planning.

### ***Relevant Financial Policies***

Unassigned fund balance in the general fund at December 31, 2020, is \$28.4 million, which represents 82% of 2021 budgeted general fund operating expenditures, exceeding the City's policy guidelines set by the City Council. These reserves are vital for ensuring the City's ability to sustain service levels during periods of economic and state legislative uncertainty, such as the coronavirus pandemic, which may result in unanticipated revenue shortfalls and to address pension funding requirements. In 2021, the City budgeted a \$3.2 million decrease in general fund balance to pay for capital improvements and a portion of the City's public safety pension contribution, consistent with the City's financial and budgetary policies. The resulting unassigned fund balance, as a percent of general fund operating expenditures, is expected to continue to exceed the City's policy guidelines.

The City realized a \$12.9 million decrease in net pension liability from the City's accelerated contribution plan and investment gains. Consistent with State Statute, City policy is to fund public safety pensions to 90% by year 2040, as determined by a third party actuary, from a combination of property tax levy and other identified revenue sources. The City began accelerating public safety pension funding in 2016, continuing its accelerated contributions through 2020, to minimize long-term pension cost to the property tax payer.

The City accounts for its annual other postemployment benefits (OPEB) obligation per GASB Statement No. 75, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The City Council has set aside approximately \$10 million to meet future requirements associated with OPEB. Please refer to the notes to the financial statements for additional information.

### ***Major Initiatives***

The City continued to invest in infrastructure improvements consistent with its core priorities. Some projects were deferred to 2021, such as the City's annual asphalt and concrete streets rehabilitation, and a central business district parking lot repair, and some capital programs, such as annual tree planting, were reduced, due to asserted pandemic-related capital changes. Approximately 4,000 feet of new water main was installed at Ivy Lane and Ryders Lane for improved watermain flow circulation and fire flow capacity. Approximately one mile of new asphalt roadway was constructed. The City lined approximately 14,000 feet of sanitary and storm sewers. Lining of old clay sanitary sewers preserves pipe capacity and extends the functional life of sewers by approximately 50 years, while being environmentally friendly and minimizing inconvenience to residents, as no excavation is performed during the sewer lining operation. The City upsized approximately 1,000 feet of new storm sewers as part of a new rainfall data design to meet the City's 10-year design standard.



The City continued implementation of sustainable practices consistent with the City's sustainability goals by planting approximately 122 new trees and upgrading existing parking and street light metal halide bulbs to LED bulbs.

The City is proud to have best-in-class service departments, especially Police, Fire and Public Works. This is a testament to the City's commitment to public safety and the highest level of practices. The City completed approximately 150 major projects and initiatives in this audit year. These major projects are primarily public-facing and significant internal initiatives outside of the City's day-to-day operations. The list of major projects can be reviewed on the City's web site at [www.cityhpil.com](http://www.cityhpil.com).

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Highland Park for its Financial Report for the fiscal year ended December 31, 2019. This was the 36th consecutive year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized Financial Report that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Financial Report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning January 1, 2020. This was the 26th consecutive year that the City received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device. A Distinguished Budget Presentation Award is valid for a period of one year only. We believe that our annual budget document for the fiscal year beginning January 1, 2021 continues to meet the Distinguished Budget Presentation Award program requirements and we have submitted it to the GFOA to determine its eligibility for another award.

The preparation of this Financial Report would not have been possible without the efficient, professional, and dedicated service of City employees. We wish to express our appreciation to all members of the City's departments who assisted and contributed to the preparation of this Financial Report. Credit also goes to the Mayor and the City Council for their unwavering support for maintaining the highest standards of professionalism in the management of the City of Highland Park's finances.

Respectfully submitted,



Ghida S. Neukirch  
City Manager



Julie Logan  
Finance Director





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Highland Park  
Illinois**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morill*

Executive Director/CEO

# THE CITIZENS OF HIGHLAND PARK

Mayor and City Council

Corporation  
Counsel

City Manager

City Commissions, Boards, Advisory Groups, and Task Forces

Business and Economic  
Development Advisory Group  
Board of Fire and Police  
Commissioners  
Cultural Arts Advisory Group  
Firefighters Pension Board  
Highland Park H.S. Advisory Grp.  
Historic Preservation Commission  
Housing Commission  
Human Relations Advisory Group

Library Board of Trustees  
Liquor Control Commission  
Plan and Design Commission  
Sustainability Advisory Group  
Police Pension Board  
Ravinia Neighborhood Meetings  
Senior Services Advisory Group  
Transportation Advisory Group  
Wolters Field Advisory Group  
Zoning Board of Appeals

Community  
Dev. Dept.

Public Works  
Department

Fire  
Department

Finance Dept.  
Treasurer

City Manager's  
Office

Police  
Department

Building

Planning

Engineering

Equipment  
Maintenance

Forestry/  
Facilities

Streets &  
Storm Sewers

Transit

Water Distrib. &  
Sanitary Sewers

Water Purification  
& Production

Finance

Information  
Technology

Business  
Development

City Clerk

Communications

Human  
Resources

Senior Services

# **CITY OF HIGHLAND PARK, ILLINOIS**

## **PRINCIPAL OFFICIALS**

December 31, 2020

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### **LEGISLATIVE**

Nancy R. Rotering, Mayor

#### **City Council**

Anthony E. Blumberg

Michelle Holleman

Daniel A. Kaufman

Alyssa Knobel

Adam Stolberg

Kim Stone

### **ADMINISTRATIVE**

Ghida S. Neukirch, City Manager

Julie Logan, Finance Director

## INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council  
City of Highland Park  
Highland Park, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Highland Park, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City of Highland Park's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Highland Park Housing Associations, a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Highland Park Housing Associations, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Sunset Woods Association, a component of the Highland Park Housing Association, a discretely presented component unit, was not audited in accordance with *Government Auditing Standards*.

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

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

## ***Opinions***

In our opinion, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Highland Park, Illinois, as of December 31, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Highland Park's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Highland Park's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2021 on our consideration of the City of Highland Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Highland Park'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 City of Highland Park's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Oak Brook, Illinois  
June 4, 2021

## **Management's Discussion and Analysis (Unaudited)**

The purpose of this Discussion and Analysis is to offer readers a narrative overview and analysis of the financial activities of the City of Highland Park (City) for the 12 months ended December 31, 2020. We encourage readers to consider this information along with additional information provided in the letter of transmittal located in the Introductory Section of this report.

### **Financial Highlights**

- The City has been comprehensively analyzing, monitoring, and reporting on the pandemic economic impact to City finances, with the most significant impact to the City's General Fund, since the beginning of the pandemic. Staff briefed the City Council during two Committee of the Whole meetings in May and June, 2020 and subsequently during the 2021 budget process. These presentations can be found on the City's website. The City's revenue estimates evolve with an evolving pandemic economic environment. The City continues to monitor revenue trends monthly for changes vs. expectations.
- The City's 2020 actuals and 2021 budget reflect decreases in revenue as a result of the pandemic and a City \$1.8 million pandemic relief package in 2020 designed to provide assistance to residents, business owners, and tenants in certain City-owned buildings. A City Council-supported response plan included active pursuit of available pandemic-related federal and state grant funding; elimination of non-essential purchases and expenses; reducing operating and capital costs; furloughs for management personnel; elected official donation of salaries in 2020; keeping positions vacant as a result of resignations or retirement; and implementing a reduction in work force during 2020. Further information on the City's response plan can be found in the City's 2021 budget document pages 29-31.
- Total revenue was \$69.6 million, a decrease of 3.6% in comparison with the prior year. The decrease was significantly due the pandemic's negative economic impact on the following City revenue sources: charges for services (\$2.2 million), sales taxes (\$1.3 million), interest income (\$0.8 million), and payment in lieu of taxes and affordable units (\$0.7 million); a 2019 gain a disposal of assets (\$2.3 million); net of increased grants \$2.9 million, for pandemic and capital cost recovery; an increase in property tax revenue \$0.8 million to support the City's continuing commitment to infrastructure investment, quality of life, and pension obligations; and increases in all other revenue \$1 million.
- Total expenditures were \$59.2 million, a decrease of \$6.4 million in comparison with the prior year. The City realized expenditure decreases across all operating units due to asserted pandemic-related operational cost efficiencies and capital changes. Public Safety, Economic/Physical Development, and General Government accounted for 92% of the decrease.
- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82.2 million (net position). The City's net position improved \$10.4 million as compared to the prior year, primarily due to the City's active efforts to reduce net pension other long-term obligations.
- Governmental funds combined ending fund balance was \$47.8 million, an increase of \$4.7 million in comparison with the prior year, significantly due an increase in the General Fund balance, given revenues in excess of expenditures. The City's pandemic economic response plan was significantly General Fund-focused. The resulting fund balances, as a percent of operating expenditures, continue to exceed the City's policy guidelines.

- Long-term liabilities were \$146.8 million, an \$8.7 million decrease in comparison with the prior year, due a \$12.9 million decrease in net pension liability from the City's accelerated contribution plan and investment gains; a \$3.4 million decrease in long-term debt from payments and refunding; net of a \$7.4 million increase in other long-term liabilities, significantly due to an increase in the City's total other postemployment benefits liability resulting from a change in actuarial assumptions. Consistent with State Statute, City policy is to fund public safety pensions to 90% by year 2040, as determined by a third party actuary, from a combination of property tax levy and other identified revenue sources. The City began accelerating public safety pension funding in 2016, continuing its accelerated contributions through 2020, to minimize long-term pension cost to the property tax payer.
- The General Fund unrestricted and unassigned fund balance was \$28.4 million, or 82% of 2021 General Fund projected operating expenditures, exceeding the City's policy to maintain a minimum balance of 35%. As part of its 2021 budget process, the City estimated 10 years of General Fund balance, showing the City Council's decision to gradually and strategically draw down fund balance, to approximately 35% within the 10-year period, to fund capital and OPEB expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements.

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

The Statement of Net Position presents information regarding the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements distinguish City functions which are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public works, economic and physical development, transit, commissions and interest costs. The City's business-type activities include water utility, sewer utility and a parking system.

The government-wide financial statements include City funds (primary government) and a legally separate library, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. The government-wide financial statements can be found on pages 16-19 of this report.

**Fund financial statements.** A fund is a group of related accounts used to maintain control over resources segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting in compliance with finance-related legal requirements. City funds are divided into three fund categories: governmental, proprietary, and fiduciary.

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

Readers may better understand the long-term impact of the government's near-term financing decisions by comparing the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide reconciliations for comparison between governmental funds and governmental activities.

The City has 13 individual governmental funds reported in 2020. Information is presented separately in the Governmental Fund Balance sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Public Safety Pension Levy Fund and Capital Projects Fund, which are considered major funds. Data for the other governmental funds are combined into a single, aggregated presentation labeled nonmajor governmental funds. Individual fund data for each nonmajor governmental fund is provided in the combining statements and schedules provided on pages 112-115 of this report.

The City adopts an annual appropriated budget for its governmental funds, with the exception of the Foreign Fire Insurance. Budgetary comparisons are provided to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 20-23 of this report.

**Proprietary funds.** The City maintains two types of proprietary funds labeled Enterprise funds and Internal Service funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds account for water, sewer and parking operations. Internal service funds accumulate and allocate costs internally to the City's various functions. Internal service funds account for equipment maintenance and replacement, as well as certain insurance activities. These services predominantly benefit governmental, rather than business-type functions, and are included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, however in more detail. The proprietary fund financial statements provide separate information for water, sewer and parking operations, which are major funds. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining and individual fund statements and schedules on pages 128-132 in this report. The basic proprietary fund financial statements can be found on pages 24-28 of this report.

**Fiduciary funds.** Fiduciary funds account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the fund resources are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential for 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 31-94 of this report.

**Other information.** This report presents required supplementary information, in addition to the basic financial statements and accompanying notes. Budgetary comparisons for the general fund and major special revenue funds are provided, as well as information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. The comparison of budget-to-actual, the combining statements and related schedules are presented immediately following the required supplementary information. Required supplementary information can be found on pages 95-108 and combining and individual fund statements and schedules can be found on pages 112-136 of this report.

### **Government-wide Financial Analysis**

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82.2 million (net position). The City's net position improved \$10.4 million as compared to the prior year, primarily due to the City's active efforts to reduce net pension and other long-term obligations, as well as the City's expenditure response plan to the pandemic's negative impact on City revenue sources, with revenue and expenses declining \$2.6 million and \$6.4 million, respectively, vs. the prior year.

The largest portion of the City's net position is investment in capital assets, which consists of land, buildings, machinery, and equipment, less outstanding debt used to acquire those assets. Capital assets are used to provide services to citizens. The assets are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay the debt are provided from other sources. The capital assets themselves cannot be used to liquidate these liabilities. The City adopted a philosophy of funding capital improvements, to a large extent, on a pay-as-you-go basis, and retires debt obligations quickly, resulting in positive net position.

A portion of the net position includes resources which are subject to external restrictions on usage. Unrestricted net position, if positive, may be used to meet ongoing obligations to residents and creditors. The City's total unrestricted net position was negative \$34.5 million as of December 31, 2020, which improved \$8.2 million versus the prior year, primarily due to the reasons discussed in the first paragraph of this section.

**Condensed Statement of Net Position**  
**as of December 31, 2019 and 2020**  
(in Millions – Rounded)

	Governmental Activities			Business-Type Activities			Total Primary		
	2019	2020	Change	2019	2020	Change	2019	2020	Change
Current and Other Assets	\$73.2	\$78.6	\$5.4	\$8.0	\$8.1	\$0.1	\$81.2	\$86.7	\$5.5
Capital Assets	84.7	83.4	(1.3)	77.9	78.1	0.2	162.6	161.5	(1.1)
<b>Total Assets</b>	<b>157.9</b>	<b>162.0</b>	<b>4.1</b>	<b>85.9</b>	<b>86.2</b>	<b>0.3</b>	<b>243.8</b>	<b>248.2</b>	<b>4.4</b>
Deferred Outflows related to Pension	12.8	7.1	(5.7)	1.9	0.6	(1.3)	14.7	7.7	(7.0)
Other Deferred Outflows	2.8	9.2	6.4	0.6	0.9	0.3	3.4	10.1	6.7
<b>Deferred Outflows of Resources</b>	<b>15.6</b>	<b>16.3</b>	<b>0.7</b>	<b>2.5</b>	<b>1.5</b>	<b>(1.0)</b>	<b>18.1</b>	<b>17.8</b>	<b>(0.3)</b>
Long-Term Liabilities Outstanding	107.2	102.2	(5.0)	48.3	44.6	(3.7)	155.5	146.8	(8.7)
Other Liabilities	8.8	3.4	(5.4)	0.8	0.4	(0.4)	9.6	3.8	(5.8)
<b>Total Liabilities</b>	<b>116.0</b>	<b>105.6</b>	<b>(10.4)</b>	<b>49.1</b>	<b>45.0</b>	<b>(4.1)</b>	<b>165.1</b>	<b>150.6</b>	<b>(14.5)</b>
<b>Deferred Inflows of Resources</b>	<b>24.8</b>	<b>32.1</b>	<b>7.3</b>	<b>0.2</b>	<b>1.1</b>	<b>0.9</b>	<b>25.0</b>	<b>33.2</b>	<b>8.2</b>
<b>Net Position:</b>									
Net Investment in Capital Assets	75.5	74.3	(1.2)	36.0	37.4	1.4	111.5	111.7	0.2
Restricted	3.0	5.0	2.0	0.0	0.0	0.0	3.0	5.0	2.0
Unrestricted	(45.8)	(38.7)	7.1	3.1	4.2	1.1	(42.7)	(34.5)	8.2
<b>Total Net Position</b>	<b>\$32.7</b>	<b>\$40.6</b>	<b>\$7.9</b>	<b>\$39.1</b>	<b>\$41.6</b>	<b>\$2.5</b>	<b>\$71.8</b>	<b>\$82.2</b>	<b>\$10.4</b>

\* Amounts for 2019 have been adjusted for the restatement as discussed within Note II.F.

The City reports positive balances in two of the three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities, as of December 31, 2020. The negative unrestricted net position in governmental activities is due to net pension and total OPEB liabilities reported in compliance with GASB Nos. 68, 71, and 75. Details of the net pension obligations can be found in Notes III.A. and C. to the Financial Statements on pages 70-92 of this report.

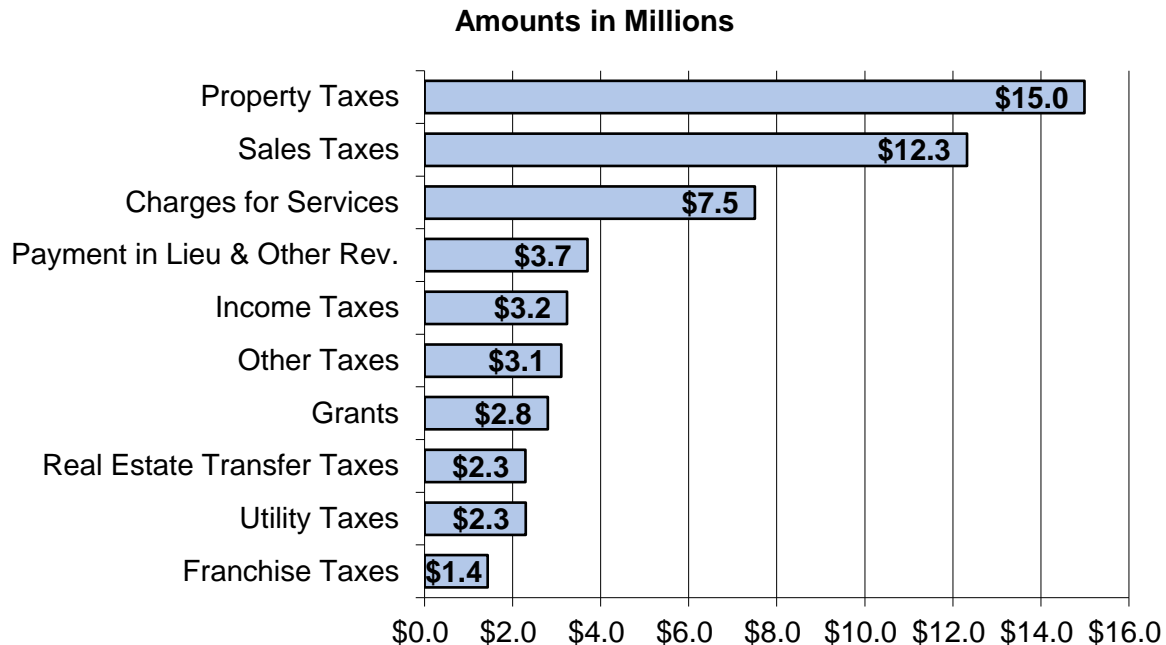
**Condensed Statement of Activities**  
**as of December 31, 2019 and 2020**  
(in Millions – Rounded)

	Government Activities		Business Activities		Total Primary Government		
	2019	2020	2019	2020	2019	2020	Change
Program Revenues:							
Charges for Services	\$11.2	\$7.5	\$14.2	\$15.7	\$25.4	\$23.2	(\$2.2)
Grants	1.1	2.8	0.3	0.2	1.4	3.0	1.6
General Revenues:							
Property Taxes	14.2	15.0			14.2	15.0	0.8
Sales Taxes	13.6	12.3			13.6	12.3	(1.3)
Other Taxes	12.1	12.3			12.1	12.3	0.2
Payment in Lieu of Taxes	1.5	0.8			1.5	0.8	(0.7)
Other	3.8	2.9	0.2	0.1	4.0	3.0	(1.0)
<b>Total Revenues</b>	<b>57.5</b>	<b>53.6</b>	<b>14.7</b>	<b>16.0</b>	<b>72.2</b>	<b>69.6</b>	<b>(2.6)</b>
Expenses:							
Public Safety	27.4	24.9			27.4	24.9	(2.5)
Public Works	6.9	6.9			6.9	6.9	0.0
General Government	7.7	6.5			7.7	6.5	(1.2)
Economic/Physical Development	8.1	6.0			8.1	6.0	(2.1)
Transit	1.4	1.0			1.4	1.0	(0.4)
Commissions	0.1	0.1			0.1	0.1	0.0
Interest	0.3	0.3			0.3	0.3	0.0
Water			8.2	8.3	8.2	8.3	0.1
Sewer			4.6	4.6	4.6	4.6	(0.0)
Parking			0.9	0.6	0.9	0.6	(0.3)
<b>Total Expenses</b>	<b>51.9</b>	<b>45.7</b>	<b>13.7</b>	<b>13.5</b>	<b>65.6</b>	<b>59.2</b>	<b>(6.4)</b>
<b>Change in Net Position</b>	<b>5.6</b>	<b>7.9</b>	<b>1.0</b>	<b>2.5</b>	<b>6.6</b>	<b>10.4</b>	<b>3.8</b>
<b>Beginning Net Position</b>	<b>26.9</b>	<b>32.7</b>	<b>38.1</b>	<b>39.1</b>	<b>65.0</b>	<b>71.8</b>	<b>6.8</b>
Prior Period Adjustment	0.2	-	-	-	0.2	-	(0.2)
<b>Ending Net Position</b>	<b>\$32.7</b>	<b>\$40.6</b>	<b>\$39.1</b>	<b>\$41.6</b>	<b>\$71.8</b>	<b>\$82.2</b>	<b>\$10.4</b>

Total revenue was \$69.6 million, a decrease of 3.6% in comparison with the prior year. The decrease was significantly due the pandemic's negative economic impact on the following City revenue sources: charges for services (\$2.2 million), sales taxes (\$1.3 million), interest income (\$0.8 million), and payment in lieu of taxes and affordable units (\$0.7 million); a 2019 gain a disposal of assets (\$2.3 million); net of increased grants \$2.9 million, for pandemic and capital cost recovery; an increase in property tax revenue \$0.8 million to support the City's continuing commitment to infrastructure investment, quality of life, and pension obligations; and increases in all other revenue \$1 million.

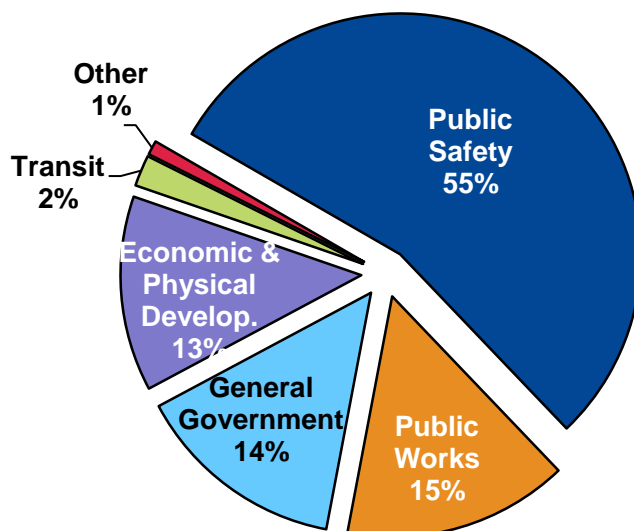
Total expenses were \$59.2 million, a decrease of \$6.4 million in comparison with the prior year. The City realized expense decreases across all operating units due to asserted pandemic-related operational cost efficiencies and capital changes. Public Safety, Economic/Physical Development, and General Government accounted for 92% of the decrease.

## Revenues by Source — Governmental Activities



Property taxes account for the greatest proportion of funding for governmental activities, followed by sales taxes, charges for services, grants for pandemic and capital reimbursement, income taxes, other taxes, and payment in lieu and other sources. The City has a continued conservative approach to managing expenses, with growth in expenses closely monitored each year and operating departments encouraged to contain non-personnel related operating costs. A City Council-supported response plan, to the pandemic's negative impact on City revenue sources, included active pursuit of available pandemic-related federal and state grant funding; elimination of non-essential purchases and expenses; reducing operating and capital costs; keeping positions vacant as a result of resignations or retirement; and implementing a reduction in work force during 2020.

## Expenses by Activity — Governmental Activities

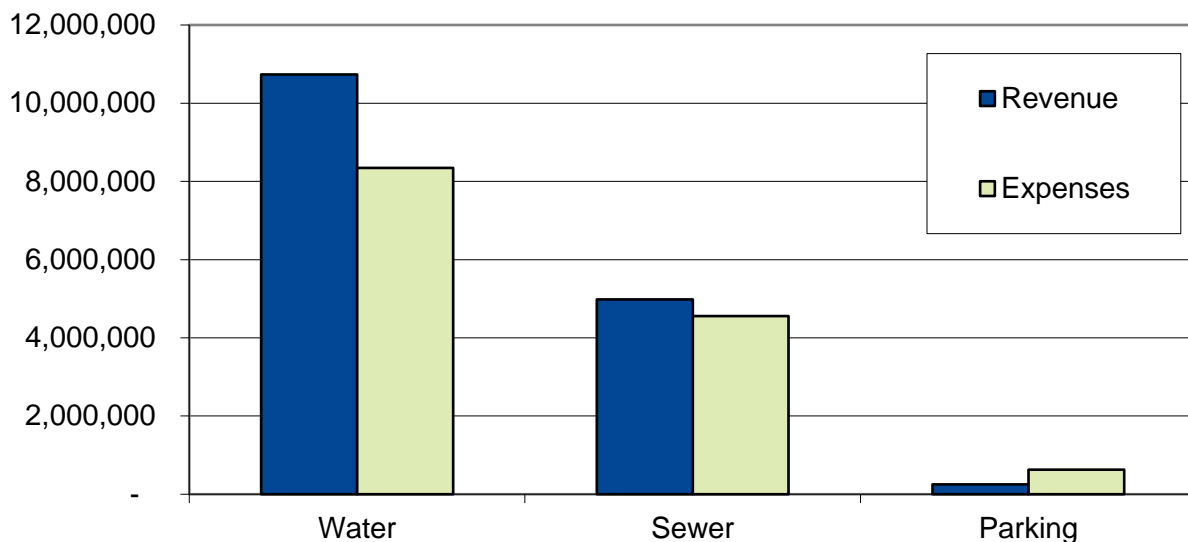


Public Safety expenses (police and fire) account for the greatest percent of governmental activities, followed by Public Works, General Gov., and Econ./Phys. Develop. The City realized expenditure decreases across all operating units due to asserted pandemic-related operational cost efficiencies and capital changes. Public Safety, Econ./Phys. Develop., and General Gov. accounted for 92% of the decrease.



## Business-Type Activities

Business-type activities improved the City's net position by \$2.5 million, primarily due to operating revenue in excess of operating expenditures. Business-type activities are intended to be self-sufficient, meaning charges for services and other revenues should be sufficient to cover costs associated with the operation and debt service for capital-related debt, over time. The following graph shows a comparison of revenues and expenses of each business-type activity:



The Water Fund and Sewer Fund net positions improved by \$2.4 million and \$0.4 million, respectively, and the parking operations fund net position was lower by \$0.3 million, due to higher water revenue resulting from a rate increase which was effective January 1, 2020, lower parking revenue due to pandemic economic impact, and asserted pandemic-related operational cost efficiencies and capital changes.

## Financial Analysis of the City's Funds

The City utilizes fund accounting in compliance with finance-related legal requirements.

**Governmental funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources, which is useful in assessing a government's financing requirements. In particular, unrestricted or unassigned fund balance is a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2020, the governmental funds combined ending fund balance was \$47.8 million, an increase of \$4.7 million in comparison with the prior year, primarily due to a City Council-supported response plan, to the pandemic's negative impact on City revenue sources, including active pursuit of available pandemic-related federal and state grant funding; elimination of non-essential purchases and expenses; reducing operating and capital costs; keeping positions vacant as a result of resignations or retirement; and implementing a reduction in work force during 2020. The resulting fund balances, as a percent of operating expenditures, continue to meet or exceed the City's policy guidelines.

The General Fund is the primary operating fund of the City. Of the total fund balance, \$28.4 million is unassigned fund balance available for spending at the government's discretion. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. It is prudent for a government to maintain an appropriate level of fund balance, generally based on the historical and projected stability and predictability of the underlying revenues and expenditures, to meet unanticipated revenue shortfalls such as the pandemic impacts starting in 2020 and continuing into 2021, small increases in service delivery costs, or emergency situations such as the pandemic. As previously discussed, the City took a very conservative approach to spending in 2020 and 2021, given the unexpected and evolving nature of the pandemic economic impacts.

Unassigned fund balance represents 82% of 2021 budgeted general fund operating expenditures, exceeding the City's policy target of 35%. As part of its 2021 budget process, the City estimated 10 years of General Fund balance, showing the City Council's decision to gradually and strategically draw down fund balance, over five years, to approximately 35% by year 2030, to fund capital improvements and other postemployment benefits (OPEB) expenditures.

Committed fund balance totaling \$2 million is not available for discretionary spending as it is targeted for transportation and sustainability initiatives. The City reports an assigned fund balance of \$10.3 million in the general fund to meet future obligations for other post-employment benefits and capital projects. Please refer to page 20 for a detailed description and amounts of assigned and committed fund balance.

The Public Safety Pension Levy Fund has a total fund balance of \$0, equal to the City's target. This fund accounts for property tax revenues that are restricted to fund the City's public safety pension liability.

The Capital Projects fund has a total fund balance of \$2.2 million at December 31, 2020, greater than the City's target of zero. During 2020, the fund balance increased \$1.3 million due the timing of infrastructure capital improvements consistent with the City's capital improvement plan.

Nonmajor governmental funds (NMGF) combined fund balance of \$6.8 million at year-end improved \$0.4 million from the prior year, significantly due to accumulation in the City's Tax Increment Financing and Affordable Housing Funds for planned future fund drawdowns to pay for capital improvements and other expenditures consistent with long-term plans. The Debt Service Fund is included in NMGF and had a total fund balance of \$0.9 million, which is assigned for the payment of debt service. The Multi-Modal Transportation Fund is included in NMGF and had a total fund balance of \$1.4 million, lower by \$0.6 million from the prior year due to elimination of the City's vehicle sticker program. Elimination of vehicle sticker fees was extended to residents as pandemic economic relief in 2020, then replaced with increased property tax levy starting in FY 2021.

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

Net positions of the Water, Sewer, and Parking Funds were \$17.9 million, \$20.7 million, and \$3 million, respectively. The improvement in net position for proprietary funds, combined, was \$2.5 million. Factors concerning the finances of these funds have been addressed in the discussion of the City's Financial Highlights and Business-type Activities sections of this Management, Discussion and Analysis.

## General Fund Budgetary Highlights

Actual revenues were lower than budget by \$3.3 million due to the pandemic economic impact to City revenue, with the most significant impacts on municipal sales tax (\$1.7 million), payment in lieu of taxes (\$1 million), and charges for services (\$0.9 million). The City has been comprehensively analyzing, monitoring, and reporting on the pandemic economic impact to City finances, with the most significant impact to the City's General Fund, since the beginning of the pandemic. Staff briefed the City Council during two Committee of the Whole meetings in May and June, 2020 and subsequently during the 2021 budget process. These presentations can be found on the City's website at [www.cityhpil.com](http://www.cityhpil.com). The City's revenue estimates evolve with an evolving pandemic economic environment. The City continues to monitor revenue trends monthly for changes vs. expectations.

Actual expenditures were lower than original and amended final budget by \$7.2 million and \$3.5 million, respectively. Actual expenditures reflect decreases vs. budget related to the City's pandemic economic response plan including elimination of non-essential purchases and expenses; reducing operating and capital costs; keeping positions vacant as a result of resignations or retirement; and implementing a reduction in work force during 2020. General Government, Public Safety, and Economic/Physical Development accounted for 93% of the \$3.5 million variance to amended final budget.

## Capital Asset and Debt Administration

**Capital Assets.** Capital assets include land, buildings, other improvements, machinery and equipment, streets, bridges, sanitary and storm sewers, and water production and distribution systems. The combined investment in capital assets for governmental and business-type activities as of December 31, 2020 was \$161.5 million net of accumulated depreciation.

A \$1.5 million reduction in buildings and improvements resulted from \$2.6 million of additional depreciation, net of \$1.1 million of new assets. A \$0.9 million increase in infrastructure resulted from \$5.4 million of infrastructure improvements, net of \$4.5 million of additional depreciation. A \$0.8 million decrease in construction in progress resulted from projects which started prior to 2020 and were completed in 2020, with coordinating increases in the applicable capital asset categories. Additional information on the City's capital assets can be found in the Notes to Financial Statements Note II C of this report.

### Capital Assets, Net of Depreciation as of December 31, 2019 and 2020 (in Millions – Rounded)

	Government Activities		Business Activities		Total Primary Government		
	2019	2020	2019	2020	2019	2020	Change
Land	\$13.1	\$13.1	\$1.4	\$1.4	\$14.5	\$14.5	\$0.0
Buildings & improvements	37.1	35.7	35.1	35.0	72.2	70.7	(1.5)
Machinery & equipment	6.1	6.4	1.1	1.0	7.2	7.4	0.2
Infrastructure	27.3	26.9	38.9	40.3	66.2	67.2	1.0
Construction in progress	1.1	1.3	1.4	0.4	2.5	1.7	(0.8)
<b>Total</b>	<b>\$84.7</b>	<b>\$83.4</b>	<b>\$77.9</b>	<b>\$78.1</b>	<b>\$162.6</b>	<b>\$161.5</b>	<b>(\$1.1)</b>

**Long-term debt.** At the end of 2020, long-term debt outstanding was \$53.3 million, of which \$9.8 million will be paid by the debt service fund from general governmental revenues. The remainder of the debt will be paid from revenue of business-type activities.

**Total Long-Term Debt Outstanding  
as of December 31, 2019 and 2020  
(in Millions – Rounded)**

	Government Activities		Business Activities		Total Primary Government		
	2019	2020	2019	2020	2019	2020	Change
General Obligation Debt	\$10.7	\$9.8	\$41.2	\$39.0	\$51.9	\$48.8	(\$3.1)
IEPA Loan Payable	-	-	4.7	4.5	4.7	4.5	(0.2)
<b>Total Long-term Debt</b>	<b>\$10.7</b>	<b>\$9.8</b>	<b>\$45.9</b>	<b>\$43.5</b>	<b>\$56.6</b>	<b>\$53.3</b>	<b>(\$3.3)</b>
Net Pension Liability	81.6	70.3	1.6	-	83.2	70.3	(12.9)
Other Long-term Liabilities	14.9	22.1	0.8	1.1	15.7	23.2	7.5
<b>Total Long-term Liabilities</b>	<b>\$107.2</b>	<b>\$102.2</b>	<b>\$48.3</b>	<b>\$44.6</b>	<b>\$155.5</b>	<b>\$146.8</b>	<b>(\$8.7)</b>

Total long-term debt decreased by \$3.3 million due to payments consistent with the City's debt service schedule for previously issued debt and a 2020 debt refunding of the City's originally issued general obligation bonds, series 2010A and 2011A. The refunding results in nominal debt service savings of \$755,000 over 10 years, worth \$694,000 on a net present value basis. The City's general obligation bonds maintain an "Aaa" rating from Moody's Investors Service. The Aaa rating reflects the city's affluent tax base, stable financial operations, healthy reserves, moderate bonded debt burden, and sound financial practices and policies.

A \$12.9 million decrease in net pension liability resulted from the City's accelerated contribution plan and investment gains. A \$7.5 million increase in other long-term liabilities was significantly due to an increase in the City's total other postemployment benefits liability resulting from a change in actuarial assumptions. Additional information on the City's long-term obligations can be found in the Notes to Financial Statements Note II E of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The City has a long-standing heritage as one of the prestigious communities along Chicagoland's "north shore" of Lake Michigan. The long-term economic outlook remains strong as the City's stable property tax base consists of over 90% residential property. Economic trends continue to be stable to strong. The City expects to return to gradual annual increases in revenues driven by the economic climate after the pandemic subsides. Retail occupancy decreased from 88.3% at the start of 2020 to 85.3% at the close of 2020. This 3% decrease in occupancy includes retail properties currently under contract that will go through change of use as they are redeveloped. Assessed valuations were down 2% as compared to the prior year, reflecting regional, rather than local, economic impact for higher end real estate value. Property and sales tax continue to be the largest revenue sources for general fund operations, along with charges for services and other general taxes. The City continues to monitor sales tax revenue closely and continues to take steps to enhance retail sales in the City. Other economic factors impacting the City's budget are as follows.

- The average unemployment rate for the City was 7.5%, comparable to the State of Illinois rate of 7.4% and below the Lake County rate of 8.6%, as sourced from the Bureau of Labor Statistics. Lake County had the lowest unemployment rate of any Illinois county in the Chicago area. The pandemic drove up unemployment rates in 2020 across the state, as is being reported across the U.S. Normal unemployment rates for the City, Lake County, and the State of Illinois are 2-3%, 4-5%, and 3-4%, respectively.

- The U.S. Census Bureau five-year estimated values reported that the median value of the City's owner-occupied homes was \$584,500. This compares to \$265,100 for the County and \$194,500 for the State.
- The City had average and median household incomes of \$231,170 and \$150,269, respectively, according to the U.S. Census Bureau American Community Survey estimates 2014 to 2019, which placed the City among the nation's wealthiest communities with populations of 25,000 or more.

The City monitors revenue on a monthly basis, notably sales tax, building permit, and real estate transfer tax revenue, as these three revenue sources are impacted by national economic conditions. This practice allows the City to continually assess the need for reduced expenditures to offset revenue shortfalls.

The City is mindful of the ongoing budget crisis at the State of Illinois and its growing pension liabilities. The Mayor and City Council continue to urge State lawmakers to pass a balanced budget that protects local government revenues. The City has proactively prepared in the event of potential loss of these revenues.

In response to national economic conditions, the City continued to take steps to ensure fiscal sustainability in preparing the 2021 budget, deferring non-essential expenditures, pursuing shared services, joint bidding and increased efficiency in operations, and analyzing fees to achieve greater cost recovery.

As a result of conservative efforts, the City has been able to accumulate a General Fund Balance in excess of the City's policy of a 35% reserve. The Mayor and City Council have approved policies to strategically and gradually drawdown excess reserves to complete one-time capital improvements, over the capital improvement period 2021-2030, developed as part of the 2021 Budget. Included in the 2021 budget are investments into City facilities and equipment, HPMove improvements, tree replacement, and funding for other post-employment benefits.

The City's 2021 budget reflects decreases in revenue as a result of the pandemic. A City Council-supported response plan included active pursuit of available pandemic-related federal and state grant funding; elimination of non-essential purchases and expenses; reducing operating and capital costs; keeping positions vacant as a result of resignations or retirement; and implementing a reduction in work force during 2020. Further information on the City's response plan can be found on pages 29-31 of the City's 2021 budget document.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Office of the Finance Director, City of Highland Park, 1707 St. Johns Avenue, Highland Park, Illinois 60035.

# CITY OF HIGHLAND PARK

## STATEMENT OF NET POSITION As of December 31, 2020

	Primary Government			Component Units	
	Governmental	Business-		Highland Park	Highland Park
	Activities	Type	Totals	Public Library	Housing
		Activities			Associations
<b>ASSETS</b>					
Cash	\$ 50,412,552	\$ 5,239,020	\$ 55,651,572	\$ 3,245,524	\$ 2,013,107
Investments	-	-	-	1,171,000	-
Receivables (net)					
Property taxes	17,103,021	-	17,103,021	5,226,647	-
Motor fuel tax allotments	207,348	-	207,348	-	-
Intergovernmental	4,825,149	-	4,825,149	-	-
Loans	237,500	-	237,500	-	-
Accounts	2,412,463	2,382,126	4,794,589	-	46,198
Other	900,000	-	900,000	1,590	8,181
Prepaid items	917,276	-	917,276	1,922	64,511
Deposits	197,026	-	197,026	-	-
Net pension asset	1,415,685	478,399	1,894,084	413,035	-
Restricted assets	-	-	-	-	923,934
Capital Assets					
Capital assets not being depreciated	14,332,074	1,737,958	16,070,032	500,000	220,000
Capital assets being depreciated, net	69,040,183	76,404,475	145,444,658	6,552,924	4,365,413
Total Assets	<u>162,000,277</u>	<u>86,241,978</u>	<u>248,242,255</u>	<u>17,112,642</u>	<u>7,641,344</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on refunding	11,460	462,540	474,000	-	-
Deferred outflows related to pensions	7,068,701	593,281	7,661,982	512,220	-
Deferred outflows related to OPEB	9,237,939	441,636	9,679,575	191,078	-
Total Deferred Outflows of Resources	<u>16,318,100</u>	<u>1,497,457</u>	<u>17,815,557</u>	<u>703,298</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable	2,329,569	242,188	2,571,757	91,184	116,437
Accrued payroll	154,256	17,500	171,756	43,058	-
Accrued interest payable	761	11,235	11,996	-	4,189
Due to fiduciary funds	95,622	-	95,622	-	-
Unearned revenues	268,598	45,896	314,494	4,814	184,774
Deposits	565,231	22,000	587,231	-	-
Accrued real estate taxes	-	-	-	-	152,424
Noncurrent Liabilities					
Due within one year	1,247,106	2,649,935	3,897,041	45,000	289,544
Due in more than one year	100,945,033	41,980,291	142,925,324	1,294,897	7,345,352
Total Liabilities	<u>105,606,176</u>	<u>44,969,045</u>	<u>150,575,221</u>	<u>1,478,953</u>	<u>8,092,720</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes levied for future periods	16,888,716	-	16,888,716	5,148,100	-
Deferred inflows related to pensions	14,735,633	1,068,524	15,804,157	922,532	-
Deferred gain on refunding	-	89,045	89,045	-	-
Deferred inflows related to OPEB	457,177	21,856	479,033	9,456	-
Total Deferred Inflows of Resources	<u>32,081,526</u>	<u>1,179,425</u>	<u>33,260,951</u>	<u>6,080,088</u>	<u>-</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF NET POSITION As of December 31, 2020

	Primary Government			Component Units	
	Governmental Activities	Business- Type Activities	Totals	Highland Park Public Library	Highland Park Housing Associations
<b>NET POSITION</b>					
Net investment in capital assets	\$ 74,318,370	\$ 37,384,128	\$111,702,498	\$ 6,282,924	\$ (3,049,483)
Restricted for					
Economic development	1,475,796	-	1,475,796	-	-
Public safety	568,936	-	568,936	-	-
Streets	377,145	-	377,145	-	-
Affordable housing	1,522,925	-	1,522,925	-	-
Library materials	-	-	-	49,329	-
Working cash	-	-	-	375,000	-
Capital projects	1,044,230	-	1,044,230	-	-
Unrestricted (deficit)	<u>(38,676,727)</u>	<u>4,206,837</u>	<u>(34,469,890)</u>	<u>3,549,646</u>	<u>2,598,107</u>
<b>TOTAL NET POSITION</b>	<u>\$ 40,630,675</u>	<u>\$ 41,590,965</u>	<u>\$ 82,221,640</u>	<u>\$ 10,256,899</u>	<u>\$ (451,376)</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 6,492,574	\$ 2,595,913	\$ -	\$ -
Public safety	24,913,624	2,586,179	24,264	-
Public works	6,907,639	237,806	1,736,948	459,608
Transit	954,492	1,090,786	-	491,571
Commissions	90,573	-	-	-
Economic and physical development	5,983,759	1,049,684	-	-
Interest and fiscal charges	345,473	-	-	-
Total Governmental Activities	<u>45,688,134</u>	<u>7,560,368</u>	<u>1,761,212</u>	<u>951,179</u>
Business-type Activities				
Water	8,342,095	10,641,590	42,595	-
Sewer	4,556,928	4,777,415	184,682	-
Motor Vehicle Parking System	631,353	241,873	-	-
Total Business-type Activities	<u>13,530,376</u>	<u>15,660,878</u>	<u>227,277</u>	<u>-</u>
Total Primary Government	<u>\$ 59,218,510</u>	<u>\$ 23,221,246</u>	<u>\$ 1,988,489</u>	<u>\$ 951,179</u>
Component Unit				
Highland Park Public Library	\$ 4,691,107	\$ 43,504	\$ 203,896	\$ -
Highland Park Housing Associations	2,355,837	2,740,271	-	-
Total Component Unit	<u>\$ 7,046,944</u>	<u>\$ 2,783,775</u>	<u>\$ 203,896</u>	<u>\$ -</u>

### General Revenues

#### Taxes

Property taxes  
 Sales taxes  
 Home rule sales tax  
 Utility taxes  
 Franchise taxes  
 Real estate transfer tax  
 Other taxes  
 Intergovernmental - unrestricted  
 Income taxes  
 Personal property replacement taxes  
 Coronavirus Relief Fund  
 Payment in lieu of taxes and affordable units  
 Interest income  
 Miscellaneous

#### Total General Revenues

### Change in net position

NET POSITION (Deficit) - Beginning of Year (as restated)

### NET POSITION (DEFICIT) - END OF YEAR

See accompanying notes to financial statements.



Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Totals	Highland Park Public Library	Highland Park Housing Associations
\$ (3,896,661)	\$ -	\$ (3,896,661)	\$ -	\$ -
(22,303,181)	-	(22,303,181)	-	-
(4,473,277)	-	(4,473,277)	-	-
627,865	-	627,865	-	-
(90,573)	-	(90,573)	-	-
(4,934,075)	-	(4,934,075)	-	-
(345,473)	-	(345,473)	-	-
(35,415,375)	-	(35,415,375)	-	-
-	2,342,090	2,342,090	-	-
-	405,169	405,169	-	-
-	(389,480)	(389,480)	-	-
-	2,357,779	2,357,779	-	-
(35,415,375)	2,357,779	(33,057,596)	-	-
-	-	-	(4,443,707)	-
-	-	-	-	384,434
-	-	-	(4,443,707)	384,434
14,992,697	-	14,992,697	4,982,861	-
8,910,848	-	8,910,848	-	-
3,413,279	-	3,413,279	-	-
2,242,932	-	2,242,932	-	-
1,430,149	-	1,430,149	-	-
2,291,611	-	2,291,611	-	-
2,790,372	-	2,790,372	-	-
3,234,314	-	3,234,314	-	-
318,803	-	318,803	44,857	-
1,365,211	-	1,365,211	-	-
837,500	-	837,500	-	-
554,450	83,668	638,118	29,409	8,744
1,015,000	-	1,015,000	-	254
43,397,166	83,668	43,480,834	5,057,127	8,998
7,981,791	2,441,447	10,423,238	613,420	393,432
32,648,884	39,149,518	71,798,402	9,643,479	(844,808)
\$ 40,630,675	\$ 41,590,965	\$ 82,221,640	\$ 10,256,899	\$ (451,376)

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2020

	General	Public Safety Pension Levy	Capital Projects	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash	\$ 35,842,062	\$ -	\$ 2,046,001	\$ 6,587,082	\$ 44,475,145
Receivables (net)					
Property taxes	5,328,154	6,509,250	-	5,265,617	17,103,021
Motor fuel tax allotments	-	-	-	207,348	207,348
Intergovernmental	4,342,569	-	482,580	-	4,825,149
Loans	-	-	237,500	-	237,500
Accounts	1,136,188	-	35,538	563,215	1,734,941
Other	900,000	-	-	-	900,000
Deposits	-	-	-	197,026	197,026
Prepaid items	6,658	-	-	359	7,017
Due from other funds	205,581	-	-	-	205,581
<b>TOTAL ASSETS</b>	<u>\$ 47,761,212</u>	<u>\$ 6,509,250</u>	<u>\$ 2,801,619</u>	<u>\$ 12,820,647</u>	<u>\$ 69,892,728</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,757,003	\$ -	\$ 76,633	\$ 121,724	\$ 1,955,360
Accrued liabilities	134,023	-	-	12,950	146,973
Due to other funds	-	-	-	205,581	205,581
Unearned revenue	258,217	-	-	-	258,217
Deposits	562,231	-	3,000	-	565,231
Due to fiduciary funds	-	95,622	-	-	95,622
<b>Total Liabilities</b>	<u>2,711,474</u>	<u>95,622</u>	<u>79,633</u>	<u>340,255</u>	<u>3,226,984</u>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for future periods	5,253,543	6,413,628	-	5,221,545	16,888,716
Unavailable revenue for other	1,043,787	-	482,580	427,741	1,954,108
<b>Total Deferred Inflows of Resources</b>	<u>6,297,330</u>	<u>6,413,628</u>	<u>482,580</u>	<u>5,649,286</u>	<u>18,842,824</u>
<b>Fund Balances</b>					
Nonspendable for prepaid items	6,658	-	-	359	7,017
Restricted for:					
Streets	-	-	-	377,145	377,145
Public safety	-	-	-	568,577	568,577
Economic development	-	-	-	1,475,796	1,475,796
Affordable housing	-	-	-	1,522,925	1,522,925
Capital projects	-	-	1,829,223	-	1,829,223
Committed for:					
Sustainability initiatives	-	-	-	544,091	544,091
Transportation	-	-	-	1,447,826	1,447,826
Assigned for:					
Capital projects	286,590	-	410,183	-	696,773
Other postemployment benefits	10,025,995	-	-	-	10,025,995
Debt service	-	-	-	894,387	894,387
Unassigned:					
General fund	28,433,165	-	-	-	28,433,165
<b>Total Fund Balances</b>	<u>38,752,408</u>	<u>-</u>	<u>2,239,406</u>	<u>6,831,106</u>	<u>47,822,920</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 47,761,212</u>	<u>\$ 6,509,250</u>	<u>\$ 2,801,619</u>	<u>\$ 12,820,647</u>	<u>\$ 69,892,728</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2020

Total Fund Balances - Governmental Funds	\$ 47,822,920
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.C.	83,372,257
Less amount reported in internal service funds below.	(4,448,854)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,954,108
Loss on refunding on bonds is reported as a deferred outflow on the statement of net position.	11,460
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position.	(339,177)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position.	(761)
Net pension assets related to pensions do not relate to current financial resources and are not reported in the governmental funds.	1,415,685
Less amount reported in internal service funds below	(153,826)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	7,068,701
Less amount reported in internal service funds below.	(190,765)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(14,735,633)
Less amount reported in internal service funds below.	343,577
Deferred outflows related to other post employment benefits do not relate to current financial resources and are not reported in the governmental funds.	9,237,939
Less amount reported in internal service funds below.	(186,379)
Deferred inflows related to other post employment benefits do not relate to current financial resources and are not reported in the governmental funds.	(457,177)
Less amount reported in internal service funds below.	9,224
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and notes payable	(9,450,881)
Net pension liability - Firefighters' Pension	(31,744,164)
Net pension liability - Police Pension	(38,528,028)
Claims payable	(298,904)
Total OPEB liability	(20,220,503)
Compensated absences	(1,610,482)
Less amount reported in internal service funds below.	491,609
The net position of the internal service funds are included in the governmental activities in the statement of net position.	11,268,729
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 40,630,675</u></b>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2020

	General	Public Safety Pension Levy	Capital Projects	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Property taxes	\$ 4,962,508	\$ 6,066,913	\$ -	\$ 3,963,276	\$ 14,992,697
Personal property replacement tax	318,803	-	-	-	318,803
Licenses and permits	1,371,636	-	-	57,722	1,429,358
Public charges for services	1,882,572	-	-	1,016,046	2,898,618
Municipal sales tax	11,936,773	-	387,354	-	12,324,127
Utility taxes	2,242,932	-	-	-	2,242,932
Real estate transfer tax	2,291,611	-	-	-	2,291,611
Intergovernmental	24,264	-	-	182,849	207,113
State income tax	3,234,314	-	-	-	3,234,314
Franchise tax	1,430,149	-	-	-	1,430,149
Payments in lieu of taxes and affordable units	-	-	-	418,750	418,750
Other taxes	2,272,218	-	-	335,305	2,607,523
Reimbursements	1,844,785	-	469,374	1,105,786	3,419,945
Fines, forfeitures and penalties	143,644	-	-	3,142	146,786
Motor fuel tax	-	-	-	1,736,948	1,736,948
Interest income	427,669	-	22,829	49,090	499,588
Miscellaneous	492,439	-	-	32,036	524,475
Total Revenues	<u>34,876,317</u>	<u>6,066,913</u>	<u>879,557</u>	<u>8,900,950</u>	<u>50,723,737</u>
<b>EXPENDITURES</b>					
Current					
General government	5,867,216	-	-	-	5,867,216
Public safety	20,359,514	6,066,913	-	141,343	26,567,770
Public works	2,502,293	-	-	2,677,547	5,179,840
Transit	-	-	-	953,199	953,199
Commissions	90,573	-	-	-	90,573
Economic and physical development	4,079,601	-	-	786,353	4,865,954
Capital Outlay	-	-	1,237,278	-	1,237,278
Debt Service					
Principal	-	-	-	908,311	908,311
Interest and fiscal charges	-	-	-	390,495	390,495
Total Expenditures	<u>32,899,197</u>	<u>6,066,913</u>	<u>1,237,278</u>	<u>5,857,248</u>	<u>46,060,636</u>
Excess (deficiency) of revenues over expenditures	<u>1,977,120</u>	<u>-</u>	<u>(357,721)</u>	<u>3,043,702</u>	<u>4,663,101</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,026,127	-	1,643,500	-	2,669,627
Transfers out	-	-	-	(2,679,627)	(2,679,627)
Total Other Financing Sources (Uses)	<u>1,026,127</u>	<u>-</u>	<u>1,643,500</u>	<u>(2,679,627)</u>	<u>(10,000)</u>
<b>Net Change in Fund Balances</b>	<u>3,003,247</u>	<u>-</u>	<u>1,285,779</u>	<u>364,075</u>	<u>4,653,101</u>
FUND BALANCES - Beginning of Year (as restated)	<u>35,749,161</u>	<u>-</u>	<u>953,627</u>	<u>6,467,031</u>	<u>43,169,819</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 38,752,408</u>	<u>\$ -</u>	<u>\$ 2,239,406</u>	<u>\$ 6,831,106</u>	<u>\$ 47,822,920</u>

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds	\$ 4,653,101
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,095,458
Depreciation is reported in the government-wide financial statements	(3,705,334)
Net book value of assets retired	(28,567)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
	1,908,108
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal repaid	908,311
Governmental funds report debt premiums and discounts as other financing sources (uses) or financing source or uses. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities and are reported as interest expense.	
Bond premium	56,414
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	26,399
Net pension asset - IMRF	1,261,859
Net pension liability - IMRF	4,807,267
Net pension liability - Police Pension	3,329,016
Net pension liability - Firefighters' Pension	2,618,516
Total OPEB liability	(7,359,494)
Deferred outflows of resources related to OPEB	6,311,808
Deferred inflows of resources related to OPEB	76,807
Deferred outflows of resources related to pensions	(5,266,281)
Deferred inflows of resources related to pensions	(4,595,940)
Accrued interest on debt	70
Deferred charge on refunding	(11,461)
The change in claims payable is shown as an expense on the statement of activities.	282,466
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities.	
	613,268
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 7,981,791</b>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	
<b>ASSETS</b>					
Current Assets					
Cash and cash equivalents	\$ 3,184,793	\$ 1,462,415	\$ 591,812	\$ 5,239,020	\$ 5,937,407
Accounts receivable (net)	1,700,722	668,248	13,156	2,382,126	677,522
Prepaid items	-	-	-	-	910,259
Total Current Assets	<u>4,885,515</u>	<u>2,130,663</u>	<u>604,968</u>	<u>7,621,146</u>	<u>7,525,188</u>
Noncurrent Assets					
Net pension asset	336,211	142,188	-	478,399	153,826
Capital Assets					
Land	66,958	-	1,319,165	1,386,123	-
Construction in progress	204,475	147,360	-	351,835	561,901
Infrastructure	-	-	608,196	608,196	-
Parking facilities and equipment	-	-	4,380,632	4,380,632	-
Water and sewer plant and equipment	93,322,706	79,643,543	-	172,966,249	-
Improvements other than buildings	-	-	58,439	58,439	-
Machinery, equipment and furnishings	-	-	-	-	13,369,927
Less: Accumulated depreciation	<u>(40,152,765)</u>	<u>(57,583,401)</u>	<u>(3,872,875)</u>	<u>(101,609,041)</u>	<u>(9,482,974)</u>
Total Noncurrent Assets	<u>53,777,585</u>	<u>22,349,690</u>	<u>2,493,557</u>	<u>78,620,832</u>	<u>4,602,680</u>
Total Assets	<u>58,663,100</u>	<u>24,480,353</u>	<u>3,098,525</u>	<u>86,241,978</u>	<u>12,127,868</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Unamortized loss on advanced refunding	462,540	-	-	462,540	-
Deferred outflows related to pensions	416,948	176,333	-	593,281	190,765
Deferred outflows related to OPEB	<u>244,457</u>	<u>115,014</u>	<u>82,165</u>	<u>441,636</u>	<u>186,379</u>
Total Deferred Outflows of Resources	<u>1,123,945</u>	<u>291,347</u>	<u>82,165</u>	<u>1,497,457</u>	<u>377,144</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2020

	Business-type Activities - Enterprise Funds				
			Nonmajor Enterprise Fund - Motor Vehicle Parking System		Governmental Activities - Internal Service Funds
	Water	Sewer		Totals	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	\$ 131,015	\$ 91,456	\$ 19,717	\$ 242,188	\$ 374,209
Accrued liabilities	22,198	6,064	473	28,735	7,283
Deposits	22,000	-	-	22,000	-
Unearned revenue	45,896	-	-	45,896	10,381
Long-term debt - due within one year	2,275,071	374,864	-	2,649,935	16,730
Total Current Liabilities	<u>2,496,180</u>	<u>472,384</u>	<u>20,190</u>	<u>2,988,754</u>	<u>408,603</u>
Noncurrent Liabilities					
Long-Term Debt					
Due in more than one year	38,637,823	3,162,622	179,846	41,980,291	474,879
Total Noncurrent Liabilities	<u>38,637,823</u>	<u>3,162,622</u>	<u>179,846</u>	<u>41,980,291</u>	<u>474,879</u>
Total Liabilities	<u>41,134,003</u>	<u>3,635,006</u>	<u>200,036</u>	<u>44,969,045</u>	<u>883,482</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred gain on refunding	-	89,045	-	89,045	-
Deferred inflows related to pensions	750,941	317,583	-	1,068,524	343,577
Deferred inflows related to OPEB	12,098	5,692	4,066	21,856	9,224
Total Deferred Inflows of Resources	<u>763,039</u>	<u>412,320</u>	<u>4,066</u>	<u>1,179,425</u>	<u>352,801</u>
<b>NET POSITION</b>					
Net investment in capital assets	16,008,530	18,882,041	2,493,557	37,384,128	4,448,854
Unrestricted	<u>1,881,473</u>	<u>1,842,333</u>	<u>483,031</u>	<u>4,206,837</u>	<u>6,819,875</u>
<b>TOTAL NET POSITION</b>	<u>\$ 17,890,003</u>	<u>\$ 20,724,374</u>	<u>\$ 2,976,588</u>	<u>\$ 41,590,965</u>	<u>\$ 11,268,729</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				
			Nonmajor Enterprise Fund - Motor Vehicle Parking System		Governmental Activities - Internal Service Funds
	Water	Sewer	Totals		
<b>OPERATING REVENUES</b>					
Water sales	\$ 10,539,676	\$ -	\$ -	\$ 10,539,676	\$ -
Sanitary sewer charges	-	2,434,760	-	2,434,760	-
Stormwater management fees	-	2,295,558	-	2,295,558	-
Water/sewer permit fees	27,763	12,601	-	40,364	-
Parking lot collections	-	-	132,586	132,586	-
Parking violations	-	-	108,813	108,813	-
Charges for goods and services	-	-	-	-	8,873,061
Miscellaneous	74,151	34,496	474	109,121	99,389
Total Operating Revenues	<u>10,641,590</u>	<u>4,777,415</u>	<u>241,873</u>	<u>15,660,878</u>	<u>8,972,450</u>
<b>OPERATING EXPENSES</b>					
Personnel services	2,452,707	1,199,482	167,288	3,819,477	1,342,874
Contractual services	1,164,799	576,756	156,945	1,898,500	5,502,628
Materials and supplies	347,914	61,430	6,580	415,924	466,660
Small tools and equipment	67,014	654,632	8,603	730,249	141,125
Administrative reimbursements	1,418,200	-	129,000	1,547,200	-
Repairs and maintenance	-	-	-	-	424,506
Depreciation	1,776,896	1,978,276	162,937	3,918,109	631,421
Total Operating Expenses	<u>7,227,530</u>	<u>4,470,576</u>	<u>631,353</u>	<u>12,329,459</u>	<u>8,509,214</u>
Operating Income (Loss)	<u>3,414,060</u>	<u>306,839</u>	<u>(389,480)</u>	<u>3,331,419</u>	<u>463,236</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	51,641	22,002	10,025	83,668	54,862
Intergovernmental	42,595	184,682	-	227,277	-
Gain on sale of capital assets	-	-	-	-	85,170
Interest and fiscal charges	(1,114,565)	(86,352)	-	(1,200,917)	-
Total Nonoperating Revenues (Expenses)	<u>(1,020,329)</u>	<u>120,332</u>	<u>10,025</u>	<u>(889,972)</u>	<u>140,032</u>
Income (Loss) Before Transfers	<u>2,393,731</u>	<u>427,171</u>	<u>(379,455)</u>	<u>2,441,447</u>	<u>603,268</u>
<b>TRANSFERS</b>					
Transfers in	-	-	-	-	10,000
<b>Change in Net Position</b>	<u>2,393,731</u>	<u>427,171</u>	<u>(379,455)</u>	<u>2,441,447</u>	<u>613,268</u>
NET POSITION - Beginning of Year	<u>15,496,272</u>	<u>20,297,203</u>	<u>3,356,043</u>	<u>39,149,518</u>	<u>10,655,461</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 17,890,003</u>	<u>\$ 20,724,374</u>	<u>\$ 2,976,588</u>	<u>\$ 41,590,965</u>	<u>\$ 11,268,729</u>

See accompanying notes to financial statements.



# CITY OF HIGHLAND PARK

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				
			Nonmajor Enterprise Fund - Motor Vehicle Parking System		Governmental Activities - Internal Service Funds
	Water	Sewer	Totals		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Received from customers	\$ 10,192,672	\$ 4,619,400	\$ 303,389	\$ 15,115,461	\$ 8,678,563
Paid to suppliers	(3,045,415)	(1,469,873)	(328,574)	(4,843,862)	(7,398,926)
Paid to employees	(2,408,103)	(1,184,668)	(184,105)	(3,776,876)	(1,295,327)
Net Cash Flows From Operating Activities	<u>4,739,154</u>	<u>1,964,859</u>	<u>(209,290)</u>	<u>6,494,723</u>	<u>(15,690)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	<u>51,641</u>	<u>22,002</u>	<u>10,025</u>	<u>83,668</u>	<u>54,862</u>
Net Cash Flows From Investing Activities	<u>51,641</u>	<u>22,002</u>	<u>10,025</u>	<u>83,668</u>	<u>54,862</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers	-	-	-	-	10,000
Operating grants received	<u>42,595</u>	<u>184,682</u>	<u>-</u>	<u>227,277</u>	<u>-</u>
Net Cash Flows From Noncapital Financing Activities	<u>42,595</u>	<u>184,682</u>	<u>-</u>	<u>227,277</u>	<u>10,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bonds issued	2,875,000	2,500,000	-	5,375,000	-
Premium on bonds sold	195,111	232,360	-	427,471	-
Debt retired	(4,947,375)	(3,070,500)	-	(8,017,875)	-
Interest paid	(1,167,267)	(108,594)	-	(1,275,861)	-
Acquisition and construction of capital assets	(1,878,095)	(2,345,223)	-	(4,223,318)	(983,469)
Sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,505</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(4,922,626)</u>	<u>(2,791,957)</u>	<u>-</u>	<u>(7,714,583)</u>	<u>(836,964)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(89,236)	(620,414)	(199,265)	(908,915)	(787,792)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,274,029</u>	<u>2,082,829</u>	<u>791,077</u>	<u>6,147,935</u>	<u>6,725,199</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,184,793</u>	<u>\$ 1,462,415</u>	<u>\$ 591,812</u>	<u>\$ 5,239,020</u>	<u>\$ 5,937,407</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 3,414,060	\$ 306,839	\$ (389,480)	\$ 3,331,419	\$ 463,236
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	1,776,896	1,978,276	162,937	3,918,109	631,421
Changes in assets and liabilities					
Accounts receivable	(434,225)	(158,015)	61,516	(530,724)	(267,298)
Prepaid expense	-	-	-	-	(910,259)
Accounts payable	(47,488)	(177,055)	(27,446)	(251,989)	46,252
Accrued salaries	(34,223)	(17,605)	(3,398)	(55,226)	(18,844)
Net pension liability	(1,075,838)	(522,915)	-	(1,598,753)	(690,041)
Deferred outflows related to pensions	866,318	447,403	-	1,313,721	448,834
Deferred inflows related to pensions	594,472	241,530	-	836,002	265,590
Compensated absences	(654)	1,306	-	652	10,701
Unearned revenue	(10,693)	-	-	(10,693)	(26,589)
Deposits	(4,000)	-	-	(4,000)	-
Total OPEB liability	204,256	87,366	39,764	331,386	165,301
Deferred outflows related to OPEB	(171,673)	(78,848)	(51,346)	(301,867)	(132,993)
Deferred inflows related to OPEB	(1,843)	(1,235)	(1,837)	(4,915)	(1,001)
Net pension asset	(336,211)	(142,188)	-	(478,399)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 4,739,154</u>	<u>\$ 1,964,859</u>	<u>\$ (209,290)</u>	<u>\$ 6,494,723</u>	<u>\$ (15,690)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Change in capital-related accounts payable	<u>\$ (111,049)</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of December 31, 2020

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	<u>Pension Trusts</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,703,897
Investments	
Corporate bonds	6,644,803
U.S. Government and agency obligations	26,784,818
Mutual funds	64,485,668
Municipal bonds	5,220,764
Negotiable certificates of deposit	1,401,924
Receivables	
Accrued interest	216,557
Prepaid items	795
Due from primary government	<u>95,622</u>
Total Assets	<u>106,554,848</u>
<b>LIABILITIES</b>	
Accounts payable	<u>47,552</u>
Total Liabilities	<u>47,552</u>
<b>NET POSITION</b>	
Restricted for pension benefits	<u>106,507,296</u>
<b>TOTAL NET POSITION</b>	<u>\$ 106,507,296</u>

See accompanying notes to financial statements.

## CITY OF HIGHLAND PARK

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For the Year Ended December 31, 2020

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	<u>Pension Trusts</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 7,849,235
Plan members	<u>1,233,697</u>
Total Contributions	<u>9,082,932</u>
Investment income	
Investment income	2,408,019
Net appreciation in fair value of investments	<u>10,822,023</u>
Total Investment Income	<u>13,230,042</u>
Less Investment expense	<u>120,782</u>
Net investment income	<u>13,109,260</u>
Total Additions	<u>22,192,192</u>
<b>DEDUCTIONS</b>	
Benefits	9,783,347
Administration	<u>85,161</u>
Total Deductions	<u>9,868,508</u>
<b>Change in Fiduciary Net Position</b>	12,323,684
NET POSITION - Beginning of Year	<u>94,183,612</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 106,507,296</u>

See accompanying notes to financial statements.

# CITY OF HIGHLAND PARK

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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NOTE	Page
I Summary of Significant Accounting Policies	32
A. Reporting Entity	32
B. Government-Wide and Fund Financial Statements	34
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	39
1. Deposits and Investments	39
2. Receivables	43
3. Inventories and Prepaid Items	43
4. Capital Assets	43
5. Deferred Outflows of Resources	44
6. Compensated Absences	45
7. Long-Term Obligations	45
8. Deferred Inflows of Resources	45
9. Equity Classifications	46
II Detailed Notes on All Funds	48
A. Deposits and Investments	48
B. Receivables	53
C. Capital Assets	55
D. Interfund Receivables/Payables and Transfers	56
E. Long-Term Obligations	58
F. Restatement of Fund Balances/Net Position	63
G. Component Units	63
III Other Information	70
A. Employees' Retirement System	70
B. Risk Management	85
C. Other Postemployment Benefits	87
D. Subsequent Event	92
E. Tax Increment Financing District	92
F. Tax Abatement	93
G. Effect of New Accounting Standards on Current-Period Financial Statements	94
H. Major Customers	94

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The City of Highland Park, Illinois (the City) was incorporated in 1869. The City is a home-rule municipality, under the 1970 Illinois Constitution, located in Lake County, Illinois. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health, social, and cultural services; water and sanitation; public improvements; planning and zoning; and general administrative services.

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

#### ***A. REPORTING ENTITY***

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

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **A. REPORTING ENTITY (cont.)**

##### ***Discretely Presented Component Units***

###### *Highland Park Public Library*

The government-wide financial statements include the Highland Park Public Library (Library) as a component unit. The Library is a legally separate organization. The nine-member board of the Library is appointed by the Mayor. Statutes provide for circumstances whereby the City can impose its will on the Library, and also create a potential financial benefit to or burden on the City. See Note II.G. As a component unit, the Library's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. Separately issued financial statements of the Highland Park Public Library may be obtained from the Library's office.

###### *Highland Park Housing Associations*

The government-wide financial statements include the Highland Park Housing Associations as a component unit. The seven member Highland Park Housing Commission was created in 1973 to encourage and engage in the development of low-and moderate-income housing. Currently, the Commission operates rental housing in four affordable developments, which are owned and/or operated by four distinct housing associations. These are the Ravinia Housing Association, the Peers Housing Association, the Sunset Woods Housing Association and the Walnut Housing Association. The members of the Housing Commission, which are appointed by the Mayor and confirmed by the City Council, are concurrently the board members of the four individual associations. The City has the ability to impose its will over the Highland Park Housing Associations for the following reasons: (1) the Mayor has the ability to remove members at will without cause and (2) the Housing Commission budget and all projects are required to be approved by City Council. The Chair of the Housing Commission is also the President of each of the housing associations. Each of the four housing associations is a separate registered not-for-profit entity and has its own bylaws. As a component unit, the Associations' financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2020. Separately issued financial statements of the Highland Park Housing Associations' members may be obtained from the City's office.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **A. REPORTING ENTITY (cont.)**

##### ***Fiduciary Component Units***

###### ***Police Pension***

The Police Pension Employees Retirement System (PPERS) is established for the City's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The City and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. PPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the PPERS.

###### ***Firefighters' Pension***

The Firefighters' Pension Employees Retirement System (FPERS) is established for the City's firefighters. FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership constitute the pension board. The City and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. A municipality is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. FPERS is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as a pension trust fund. No separate annual financial report is issued for the FPERS.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

##### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.



# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Government-Wide Financial Statements (cont.)***

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

##### ***Fund Financial Statements***

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

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

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

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.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The City reports the following major governmental funds:

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

Public Safety Pension Levy Fund - used to account for the portion of the property tax levy restricted to funding police and firefighters' pensions, which is transferred to the Police and Firefighters' Pension Funds.

Capital Projects Fund - used to account for funds restricted, committed, or assigned to alleviate storm drainage problems, finance street improvements, and provide other facility and infrastructure improvements. The City has chosen to report this fund as a major fund.

The City reports the following major enterprise funds:

Water Fund - accounts for operations of the water facilities and services owned and provided by the City to its residents. The activities are entirely or predominantly self-supported by user charges.

Sewer Fund - accounts for operations of the sanitary sewer facilities and services owned and provided by the City to its residents. The activities are entirely or predominantly self-supported by user charges.

The City reports the following nonmajor governmental and enterprise funds:

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

Motor Fuel Tax

Foreign Fire Insurance Tax

Multi-Modal Transportation

Emergency 911 System

Environmental Sustainability

Affordable Housing

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

Debt Service

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Tax Increment Financing - Ravinia

Tax Increment Financing - Briergate

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The city reports the following non-major governmental and enterprise funds: (cont.)

Enterprise Fund - used to account for and report any activity for which a fee is charged to external uses for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Motor Vehicle Parking System

In addition, the City reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Equipment Maintenance and Replacement  
Insurance

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

##### ***Government-Wide Financial Statements***

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days (except sales and telecommunications taxes which use 90 days) of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

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

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

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

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### ***All Financial Statements***

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

##### ***1. Deposits and Investments***

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

Illinois Statutes authorize the City to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds 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, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The Police Pension Fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The Firefighters' Pension Fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

The Police Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income and Cash	40%	2.5%
Large-Cap Domestic Equity	42%	5.5%
Mid-Cap / Small-Cap Domestic Equity	12%	5.5%
International Equity	6%	5.5%

Illinois Compiled Statutes (ILCS) limit the police pension 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.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

The Police Pension Fund's investment policy does not include formalized long-term expected rate of returns by asset class. The Police Pension Fund uses the actuarial assumptions listed above for each asset class, which were determined using a building-block method in which expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. The Police Pension Fund has developed formal expectations that fixed income investments outperform the Barclay's U.S. Treasury Intermediate, Barclays U.S. Agency 7-10 Year, Barclays Taxable Municipal Intermed., as well as the Barclays Corporate Intermediate. Additionally, large-cap domestic equity investments outperform the S&P 500 Index, small-cap domestic equity investments outperform the Russell 2000 Stock Index, and international equity investments outperform the MSCI Europe/Australia/Far East Index on a total return basis.

The Firefighters' Pension Fund's investment policy, in accordance with Illinois Statutes, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income and Cash	40%	2.5%
Large Cap Domestic Equity	42%	5.5%
Mid-Cap / Small-Cap Domestic Equity	12%	5.5%
International Equity	6%	5.5%

Illinois Compiled Statutes (ILCS) limit the firefighters' pension 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 Firefighters' Pension Fund's investment policy does not include formalized long-term expected rate of returns by asset class. The Firefighters' Pension Fund uses the actuarial assumptions listed above for each asset class, which were determined using a building-block method in which expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. The Firefighters' Pension Fund has developed formal expectations that fixed income investments outperform the Barclay's U.S. Treasury Intermediate, Barclays U.S. Agency 7-10 Year, Barclays Taxable Municipal Intermed., as well as the Barclays Corporate Intermediate. Additionally, large-cap domestic equity investments outperform the S&P 500 Index, small-cap domestic equity investments outperform the Russell 2000 Stock Index, and international equity investments outperform the MSCI Europe/Australia/Far East Index on a total return basis.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

The City's investment policy authorizes the City to make deposits/invest in insured commercial banks; savings and loan institutions; obligations of the U.S. Treasury, U.S. agency, and U.S. instrumentality; money market mutual funds regulated by the SEC and whose portfolios consist only of domestic debt securities; investment-grade obligations of state, provincial, and local governments and public authorities; certificates of deposits and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, rated in the highest tier by a nationally recognized rating agency; local government investment pools, either state administered or through joining powers statutes, and other intergovernmental agreement legislation; and Illinois Funds.

The City has adopted an investment policy. It is the policy of the City 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 City 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 objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

#### **Interest Rate Risk**

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio so that securities mature concurrent with cash needs. The investment policy limits the maximum maturity length of investments to three years from date of purchase, unless specific authority is given to exceed. Investments in reserve funds may be purchased with maturities to match future projects of liability requirements. In addition, the policy requires the City to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

In accordance with investment policies, the Police Pension Fund and Firefighters' Pension Fund limit exposure to interest rate risk by structuring the portfolios to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policies do not limit the maximum maturity length of investments in the funds. The investment policies require that the portfolios be structured to meet the actuarially determined cash flow requirements of the funds.

#### **Credit Risk**

The City, Police Pension Fund, and Firefighters' Pension Fund limit exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

#### **Concentration of Credit Risk**

The City's investment policy preserves its capital by requiring the portfolio to be sufficiently diversified with respect to the types of securities held, the number of financial institutions utilized, and the maturities of the individual securities.

#### **Custodial Credit Risk - Deposits**

The City's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution to the extent of 110% of the value of the deposit. The Police and Firefighters' Pension Fund investment policies require pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by the Police and Firefighters' Pension Funds or their respective agents in the name of the Police and Firefighters' Pension Fund.

#### **Custodial Credit Risk - Investments**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of the outside party. The City's investment policy does not address custodial credit risk.

The Police and Firefighters' Pension Fund investment policies require investments to be held by a separate third party custodian to safe-keep the assets of the funds, complying with provisions of the Illinois Pension Code.

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

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

See Note II. A. for further information.



# **CITY OF HIGHLAND PARK**

## **NOTES TO FINANCIAL STATEMENTS** **As of and for the Year Ended December 31, 2020**

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables***

Property taxes for levy year 2020 attach as an enforceable lien, as of January 1, 2020, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). Tax bills for levy year 2020 are prepared by Lake County, issued in May 2021, and are payable in two installments, on or about June 7, 2021 and September 7, 2021 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2020 property tax levy is recognized as a receivable and a deferral in fiscal 2020, net of the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2020, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2020 levy and amounts from the 2019 levy not collected until after year-end.

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

##### ***3. Inventories and Prepaid Items***

Governmental fund inventories, if material, are recorded at cost based on the average cost method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and/or for operation and maintenance work. They are not for resale. They are valued at cost, based on average cost, and charged to construction and/or operation and maintenance expense when used.

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

##### ***4. Capital Assets***

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$50,000 for infrastructure assets, and having an estimated useful life in excess of five years. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at acquisition value at the date of donation.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***4. Capital Assets (cont.)***

###### **Government-Wide Statements (cont.)**

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

Depreciation of exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	50	Years
Public domain infrastructure	20-50	Years
System infrastructure	40-50	Years
Vehicles	3-20	Years
Mobile equipment	10-30	Years
Furniture and fixtures	10	Years
Computer equipment	5	Years

###### ***Fund Financial Statements***

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

##### ***5. Deferred Outflows of Resources***

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

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***6. Compensated Absences***

The City's policy for vacation pay states that vacation time is earned each pay period. Vacation credits carryover into future years up to a maximum of 30 days. Any accumulated time in excess of 30 days is lost. Unused sick time may be used toward time off and/or converted to pre-tax dollars and deposited into the Section 125 Flexible Spending Program or 457 deferred compensation account. Vested or accumulated sick and vacation leave (including related social security and medicare) of proprietary funds is recorded as an expense and liability of those funds and in the governmental activities column in the government-wide financial statements as they are earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

##### ***7. Long-Term Obligations***

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

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

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

##### ***8. Deferred Inflows of Resources***

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Equity Classifications***

###### **Government-Wide Statements**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

###### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***9. Equity Classifications***

###### **Fund Statements (cont.)**

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City has adopted a resolution authorizing the Budget Officer to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

The City has not adopted a flow of funds and therefore applies the flow of funds from GASB Statement No. 54, which prescribes that the funds with the highest level of constraint are expended first. The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City has established minimum fund balance targets for certain governmental funds which encompass both assigned and unassigned fund balance. The targets, expressed as percentages of operating expenditures as follows: General Fund (35%), Multi-Modal Transportation Fund (10%), Emergency 911 Fund (10%), Environmental Sustainability Fund (10%), and Debt Service Fund (15%).

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

The City's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 42,108,387	\$ 42,915,584	Custodial credit risk - deposits
Money market - Illinois Funds	13,842,790	13,842,790	Credit risk
Money market - other	1,398,822	1,398,822	Credit risk, interest rate risk
Corporate bonds	6,644,803	6,644,803	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
U.S. Treasury obligations	5,001,564	5,001,564	Custodial credit risk - investments, interest rate risk
U.S. Agency obligations - explicitly guaranteed	1,908	1,908	Custodial credit risk - investments, interest rate risk
U.S. Agency obligation - implicitly guaranteed	21,781,346	21,781,346	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Mutual funds - other	64,485,668	64,485,668	N/A
Municipal bonds	5,220,764	5,220,764	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Negotiable certificates of deposit	1,401,924	1,401,924	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Petty cash	5,470	-	N/A
<b>Total Deposits and Investments</b>	<b><u>\$161,893,446</u></b>	<b><u>\$162,695,173</u></b>	

#### Reconciliation to financial statements

##### Per statement of net position

Cash \$ 55,651,572

##### Per statement of net position - fiduciary funds

Cash and cash equivalents 1,703,897  
Corporate bonds 6,644,803  
U.S. government and agency obligations 26,784,818  
Mutual funds 64,485,668  
Municipal bonds 5,220,764  
Negotiable certificates of deposit 1,401,924

**Total Deposits and Investments \$161,893,446**

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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

The City used the market valuation method for recurring fair value measurements.

As of December 31, 2020, the City's investments were measured using valuation inputs as follows:

#### *Police Pension Fund*

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market - other	\$ 973,918	\$ -	\$ -	\$ 973,918
Corporate bonds	-	2,740,169	-	2,740,169
U.S. Treasury obligations	3,056,684	-	-	3,056,684
U.S. Agency obligations - explicit	-	1,908	-	1,908
U.S. Agency obligations - implicit	-	10,178,542	-	10,178,542
Municipal bonds	-	2,589,625	-	2,589,625
Mutual funds - other	31,363,696	-	-	31,363,696
Negotiable certificates of deposit	-	700,962	-	700,962
Total	<u>\$ 35,394,298</u>	<u>\$ 16,211,206</u>	<u>\$ -</u>	<u>\$ 51,605,504</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### *Firefighters' Pension Fund*

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market - other	\$ 424,904	\$ -	\$ -	\$ 424,904
Corporate bonds	-	3,904,634	-	3,904,634
U.S. Treasury obligations	1,944,880	-	-	1,944,880
U.S. Agency obligations - implicit	-	11,602,804	-	11,602,804
Municipal bonds	-	2,631,139	-	2,631,139
Mutual funds - other	33,121,972	-	-	33,121,972
Negotiable certificates of deposit	-	700,962	-	700,962
Total	<u>\$ 35,491,756</u>	<u>\$ 18,839,539</u>	<u>\$ -</u>	<u>\$ 54,331,295</u>

#### ***Custodial Credit Risk***

##### **Deposits**

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

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

##### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The U.S. Treasury obligations are held in safekeeping at the bank where they are purchased.



## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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##### **A. DEPOSITS AND INVESTMENTS (cont.)**

##### ***Credit Risk***

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

As of December 31, 2020, the City's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Money market - Illinois Funds	AAAm	N/A
Money market - other	AAAm	Aaa
Corporate bonds	AAA - BBB, NR	Aaa - Baa2, NR
U.S. Agency obligations	AA+, NR	Aaa, NR
Municipal bonds	AAA - AA, NR	Aaa - Aa3, NR
Negotiable certificates of deposit	NR	NR

##### ***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At December 31, 2020, the City held no investments subject to concentration of credit risk.

The Firefighters' Pension Fund had the following applicable investment in excess of 5% of total fund investments.

Federal Farm Credit Banks	\$	6,913,416
Federal Home Loan Bank		3,082,038

The Police Pension Fund had the following applicable investment in excess of 5% of total fund investments.

Federal Farm Credit Banks	\$	6,886,936
Federal Home Loan Bank		2,964,115

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### A. DEPOSITS AND INVESTMENTS (cont.)

##### Interest Rate Risk

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

As of December 31, 2020, the City's investments were as follows:

##### Police Pension Fund

Investment Type	Fair Value	Maturity (In Years)			
		< 1	1-5	6-10	> 10
Money market - other	\$ 973,918	\$ 973,918	\$ -	\$ -	\$ -
Corporate bonds	2,740,169	457,663	987,714	1,294,792	-
U.S. Treasury obligations	3,056,684	202,469	2,094,063	760,152	-
U.S. Agency obligations - explicit	1,908	-	-	-	1,908
U.S. Agency obligations - implicit	10,178,542	-	1,392,628	8,763,610	22,304
Municipal bonds	2,589,625	-	952,041	1,485,528	152,056
Negotiable certificates of deposit	700,962	-	230,139	470,823	-
Totals	<u>\$ 20,241,808</u>	<u>\$ 1,634,050</u>	<u>\$ 5,656,585</u>	<u>\$ 12,774,905</u>	<u>\$ 176,268</u>

##### Firefighters' Pension Fund

Investment Type	Fair Value	Maturity (In Years)			
		< 1	1-5	6-10	> 10
Money market - other	\$ 424,904	\$ 424,904	\$ -	\$ -	\$ -
Corporate bonds	3,904,634	194,000	1,519,275	2,191,359	-
U.S. Treasury obligations	1,944,880	567,062	467,599	910,219	-
U.S. Agency obligations - implicit	11,602,804	-	2,842,652	8,354,456	405,696
Municipal bonds	2,631,139	150,000	813,275	1,510,718	157,146
Negotiable certificates of deposit	700,962	-	230,139	470,823	-
Totals	<u>\$ 21,209,323</u>	<u>\$ 1,335,966</u>	<u>\$ 5,872,940</u>	<u>\$ 13,437,575</u>	<u>\$ 562,842</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **A. DEPOSITS AND INVESTMENTS** (cont.)

##### ***Money-Weighted Rate of Return***

###### *Police Pension Fund*

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

###### *Firefighters' Pension Fund*

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

See Note I.D.1. for further information on deposit and investment policies.

#### **B. RECEIVABLES**

Intergovernmental receivables as of year end for the General Fund in the aggregate are as follows:

	General Fund
Intergovernmental receivable	
Sales tax	\$ 2,428,584
Utility tax	531,066
Home rule sales tax	950,699
Local use tax	<u>432,220</u>
Total	<u>\$ 4,342,569</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### B. RECEIVABLES (cont.)

	General Fund
Accounts receivable	
Local sales	\$ 113,580
Rent	10,129
Grants	26,506
Permits	56,489
Court fines	18,401
Miscellaneous	<u>1,000,258</u>
Gross receivables	1,225,363
Less: Allowance for uncollectibles	<u>(89,175)</u>
Net accounts receivable	<u><u>\$ 1,136,188</u></u>

All of the receivables on the balance sheet are expected to be collected within one year, except for \$900,000 in other receivables in the General Fund, which represents air rights sold to a developer and payable in three annual installments of \$300,000 beginning in 2024.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	\$ 16,888,716	\$ -
Other	258,217	1,000,000
Grants	<u>-</u>	<u>954,108</u>
Total Unearned/Unavailable Revenue for Governmental Funds	<u><u>\$ 17,146,933</u></u>	<u><u>\$ 1,954,108</u></u>
Unearned revenue included in liabilities	\$ 258,217	
Unearned revenue included in deferred inflows	<u>16,888,716</u>	
Total Unearned Revenue for Governmental Funds	<u><u>\$ 17,146,933</u></u>	

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### C. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 12,796,044	\$ -	\$ -	\$ 12,796,044
Land right of way	260,190	-	-	260,190
Construction in progress	<u>1,100,792</u>	<u>491,265</u>	<u>316,217</u>	<u>1,275,840</u>
Total Capital Assets Not Being depreciated	<u>14,157,026</u>	<u>491,265</u>	<u>316,217</u>	<u>14,332,074</u>
Capital assets being depreciated				
Buildings and land improvements	69,586,147	161,279	-	69,747,426
Machinery and equipment	18,984,762	1,413,437	896,658	19,501,541
Infrastructure	<u>63,856,133</u>	<u>1,329,163</u>	<u>-</u>	<u>65,185,296</u>
Total Capital Assets Being Depreciated	<u>152,427,042</u>	<u>2,903,879</u>	<u>896,658</u>	<u>154,434,263</u>
Total Capital Assets	<u>166,584,068</u>	<u>3,395,144</u>	<u>1,212,875</u>	<u>168,766,337</u>
Less: Accumulated depreciation for				
Buildings and land improvements	32,484,846	1,534,079	-	34,018,925
Machinery and equipment	12,861,873	1,036,948	806,756	13,092,065
Infrastructure	<u>36,517,362</u>	<u>1,765,728</u>	<u>-</u>	<u>38,283,090</u>
Total Accumulated depreciation	<u>81,864,081</u>	<u>4,336,755</u>	<u>806,756</u>	<u>85,394,080</u>
Net Capital Assets Being Depreciated	<u>70,562,961</u>	<u>(1,432,876)</u>	<u>89,902</u>	<u>69,040,183</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 84,719,987</u>	<u>\$ (941,611)</u>	<u>\$ 406,119</u>	<u>\$ 83,372,257</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General government	\$ 377,915
Public safety	304,987
Public works	1,900,226
Economic development	<u>1,753,627</u>
Total Governmental Activities Depreciation Expense	<u>\$ 4,336,755</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities</b>				
Capital assets not being depreciation				
Land	\$ 1,386,123	\$ -	\$ -	\$ 1,386,123
Construction in progress	1,387,851	109,235	1,145,251	351,835
Total Capital Assets Not Being depreciation	<u>2,773,974</u>	<u>109,235</u>	<u>1,145,251</u>	<u>1,737,958</u>
Capital assets being depreciated				
Buildings and land improvements	53,821,390	954,286	-	54,775,676
Machinery and equipment	4,391,792	35,473	-	4,427,265
Infrastructure	114,652,049	4,158,526	-	118,810,575
Total Capital Assets Being Depreciated	<u>172,865,231</u>	<u>5,148,285</u>	<u>-</u>	<u>178,013,516</u>
Total Capital Assets	<u>175,639,205</u>	<u>5,257,520</u>	<u>1,145,251</u>	<u>179,751,474</u>
Less: Accumulated depreciation for				
Buildings and land improvements	18,755,626	1,017,458	-	19,773,084
Machinery and equipment	3,278,023	121,618	-	3,399,641
Infrastructure	75,657,283	2,779,033	-	78,436,316
Total Accumulated depreciation	<u>97,690,932</u>	<u>3,918,109</u>	<u>-</u>	<u>101,609,041</u>
Net Capital Assets Being Depreciated	<u>75,174,299</u>	<u>1,230,176</u>	<u>-</u>	<u>76,404,475</u>
Business-type Capital Assets, Net of Accumulated depreciation	<u>\$ 77,948,273</u>	<u>\$ 1,339,411</u>	<u>\$ 1,145,251</u>	<u>\$ 78,142,433</u>

#### D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

##### Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ <u>205,581</u>
Total - Fund Financial Statements		205,581
Less: Government-wide eliminations		<u>(205,581)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ -</u>

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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##### ***D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS - (cont.)***

##### ***Interfund Receivables/Payables (cont.)***

The principal purpose of the interfund is for short-term cash deficits. Repayment is expected within one year.

For the statement of net position, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

##### ***Transfers***

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
General	Nonmajor Governmental	\$ 685,000	E-911 costs Reimbursement of TIF expenditures and COVID-19 related costs
General	Nonmajor Governmental	341,127	Street and bridge improvements
Capital Projects	Nonmajor Governmental	1,643,500	Incremental costs of purchasing public works environmentally friendly vehicles
Internal Service	Nonmajor Governmental	<u>10,000</u>	
Total - Fund Financial Statements		2,679,627	
Less: Government-wide eliminations		<u>(2,679,627)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### **E. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 10,359,192	\$ -	\$ 908,311	\$ 9,450,881	\$ 925,010
(Discounts)/Premiums	395,591	-	56,414	339,177	-
Sub-totals	<u>10,754,783</u>	<u>-</u>	<u>964,725</u>	<u>9,790,058</u>	<u>925,010</u>
Other Liabilities					
Compensated absences	1,626,180	1,203,937	1,219,635	1,610,482	322,096
Total OPEB liability	12,695,708	8,042,490	517,695	20,220,503	-
Claims payable	581,370	-	282,466	298,904	-
Net pension liability - IMRF*	5,343,482	5,367,034	10,710,516	-	-
Net pension liability - Firefighters'	34,362,680	3,464,667	6,083,183	31,744,164	-
Net pension liability - Police	<u>41,857,044</u>	<u>2,911,485</u>	<u>6,240,501</u>	<u>38,528,028</u>	<u>-</u>
Total Other Liabilities	<u>96,466,464</u>	<u>20,989,613</u>	<u>25,053,996</u>	<u>92,402,081</u>	<u>322,096</u>
Total Governmental Activities Long- Term Liabilities	<u>\$107,221,247</u>	<u>\$ 20,989,613</u>	<u>\$ 26,018,721</u>	<u>\$102,192,139</u>	<u>\$ 1,247,106</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 40,680,809	\$ 5,375,000	\$ 7,791,690	\$ 38,264,119	\$ 2,384,990
IEPA loan - direct borrowing	4,685,986	-	226,185	4,459,801	230,720
(Discounts)/Premiums	<u>530,767</u>	<u>427,471</u>	<u>189,737</u>	<u>768,501</u>	<u>-</u>
Sub-totals	<u>45,897,562</u>	<u>5,802,471</u>	<u>8,207,612</u>	<u>43,492,421</u>	<u>2,615,710</u>
Other Liabilities					
Compensated absences	170,475	128,509	127,857	171,127	34,225
Total OPEB liability	635,292	356,135	24,749	966,678	-
Net pension liability - IMRF*	<u>1,598,753</u>	<u>2,020,626</u>	<u>3,619,379</u>	<u>-</u>	<u>-</u>
Total Other Liabilities	<u>2,404,520</u>	<u>2,505,270</u>	<u>3,771,985</u>	<u>1,137,805</u>	<u>34,225</u>
Total Business-type Activities Long- Term Liabilities	<u>\$ 48,302,082</u>	<u>\$ 8,307,741</u>	<u>\$ 11,979,597</u>	<u>\$ 44,630,226</u>	<u>\$ 2,649,935</u>

\*As of December 31, 2020, the IMRF net pension liability became a net pension asset.

Compensated absences, other postemployment benefits, claims payable, and net pension liabilities of governmental activities will be liquidated primarily by the General Fund or by the special revenue fund or internal service fund to which the related employee's salary is paid. Compensated absences, other postemployment benefits, and net pension liabilities of the business-type activities will be liquidated by the respective enterprise fund.



# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### E. LONG-TERM OBLIGATIONS (cont.)

##### General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
General Obligation Debt					
2012 General Obligation Refunding Bonds due in annual installments of \$230,000 to \$1,435,000	12/27/2012	12/30/2021	2.00% - 4.00%	\$ 3,410,000	\$ 255,000
2015 General Obligation Bonds due in annual installments of \$30,000 to \$2,125,000	1/27/2015	12/30/2034	3.00% - 3.25%	646,800	475,750
2016 General Obligation Bonds due in annual installments of \$110,000 to \$2,070,000	1/29/2016	12/30/2034	2.00% - 3.00%	4,650,000	1,095,000
2017 General Obligation Bonds due in annual installments of \$45,010 to \$60,014	2/7/2017	12/31/2032	2.00% - 3.25%	705,162	570,131
2018 General Obligation Bonds due in annual installments of \$395,000 to \$660,000	2/8/2018	12/30/2031	3.00% - 3.00%	7,900,000	<u>7,055,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 9,450,881</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. LONG-TERM OBLIGATIONS* (cont.)

##### *General Obligation Debt* (cont.)

<b>Business-type Activities</b>	<b>Date of Issue</b>	<b>Final Maturity</b>	<b>Interest Rates</b>	<b>Original Indebtedness</b>	<b>Balance December 31, 2020</b>
General Obligation Debt					
Water Fund - 2010 General Obligation Bonds due in annual installments of \$50,000 to \$325,000	4/15/2010	12/30/2021	1.00% - 4.00%	\$ 2,425,000	\$ 100,000
Water Fund - 2011B General Obligation Refunding Bonds due in annual installments of \$90,000 to \$100,000	12/31/2011	12/30/2022	2.00% - 2.75%	895,000	195,000
Water Fund - 2012 General Obligation Refunding Bonds due in annual installments of \$70,000 to \$490,000	12/27/2012	12/30/2031	2.00% - 4.00%	5,885,000	4,760,000
Water Fund - 2013 General Obligation Bonds due in annual installments of \$385,000 to \$2,675,000	5/28/2013	12/30/2032	2.13% - 3.00%	9,960,000	9,960,000
Water Fund - 2014 General Obligation Bonds due in annual installments of \$845,000 to \$1,700,000	2/10/2014	12/30/2026	2.25% - 3.05%	9,955,000	9,110,000
Water Fund - 2015 General Obligation Bonds due in annual installments of \$30,000 to \$2,125,000	1/27/2015	12/30/2034	3.00% - 3.25%	5,135,200	3,777,167
Sewer Fund - 2015 General Obligation Bonds due in annual installments of \$30,000 to \$2,125,000	1/27/2015	12/30/2034	3.00% - 3.25%	98,000	72,083
Water Fund - 2016 General Obligation Bonds due in annual installments of \$110,000 to \$2,070,000	1/29/2016	12/30/2034	2.00% - 3.00%	2,275,000	2,275,000

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. LONG-TERM OBLIGATIONS* (cont.)

#### *General Obligation Debt* (cont.)

#### **Business-type Activities**

General Obligation Debt (cont.)	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Sewer Fund - 2016 General Obligation Bonds due in annual installments of \$110,000 to \$2,070,000	1/29/2016	12/30/2034	2.00% - 3.00%	\$ 995,000	\$ 770,000
Water Fund - 2017 General Obligation Bonds due in annual installments of \$159,990 to \$195,000	2/7/2017	12/31/2032	2.00% - 3.25%	2,709,838	2,214,869
Water Fund - 2020 General Obligation Refunding Bonds in annual installments of \$320,000 to \$395,000	8/4/2020	12/31/2031	2.00%- 4.00%	2,875,000	2,875,000
Sewer Fund - 2020 General Obligation Refunding Bonds in annual installments of \$0 to \$1,455,000	8/4/2020	12/31/2031	2.00%- 4.00%	2,500,000	<u>2,155,000</u>
Total Business-type Activities - General Obligation Debt					<u><u>\$ 38,264,119</u></u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2021	\$ 925,010	\$ 273,943	\$ 2,384,990	\$ 1,053,063
2022	730,010	247,943	2,534,990	987,563
2023	795,012	227,793	2,609,988	919,926
2024	800,012	205,742	2,684,988	850,776
2025	815,012	183,592	2,744,988	777,964
2026-2030	3,560,062	589,727	13,349,938	2,799,405
2031-2034	<u>1,825,763</u>	<u>114,641</u>	<u>11,954,237</u>	<u>935,759</u>
Totals	<u><u>\$ 9,450,881</u></u>	<u><u>\$ 1,843,381</u></u>	<u><u>\$ 38,264,119</u></u>	<u><u>\$ 8,324,456</u></u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### E. LONG-TERM OBLIGATIONS (cont.)

##### Business-type Activities

Other Bonds or Notes or Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2020
Water Fund - IEPA Loan, Preliminary Series 2015 - 2017, due in annual installments of \$157,701 to \$310,744	11/1/2015	12/30/2036	1.995%	\$ 3,812,839	\$ 4,459,801
Total Business-type Activities Other Bonds or Notes or Loans Payable					\$ 4,459,801

Debt service requirements to maturity are as follows:

Years	Business-type Activities Other Bonds or Notes or Loans Payable	
	Principal	Interest
2021	\$ 230,720	\$ 87,828
2022	235,345	83,202
2023	240,064	78,484
2024	244,877	73,670
2025	249,786	68,761
2026-2030	1,326,094	266,644
2031-2035	1,464,470	128,268
2036	468,445	9,376
Totals	\$ 4,459,801	\$ 796,233

#### Current Refunding

On August 4, 2020, the City issued \$5,375,000 in general obligation bonds with an average coupon rate of 2.28% to refund \$3,000,000 of outstanding 2010A Taxable General Obligation Bonds with an average coupon rate of 3.21% and \$2,680,000 of outstanding 2011A Taxable General Obligation Bonds with an average coupon rate of 3.07%.

The City refunded these bonds to reduce its total debt service payments over the next 11 years by \$565,513. This transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$510,208.

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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##### ***F. RESTATEMENT OF FUND BALANCES/NET POSITION***

Governmental Activities net position and fund balance in the Affordable Housing Fund, a nonmajor special revenue fund, have been restated as of December 31, 2019, as a result of the finance department identifying an immaterial error following the implementation of GASB Statement No. 84 in the prior year. Net position and fund balance as of December 31, 2019 (as reported) were \$32,419,479 and \$6,237,626 respectively. The fund balance in the Affordable Housing Fund was restated by \$229,405. Net position and fund balance as of December 31, 2019 (as restated) were \$32,648,884 and \$6,467,031 respectively.

##### ***G. COMPONENT UNITS***

##### ***HIGHLAND PARK PUBLIC LIBRARY***

This report contains the Highland Park Public Library (Library), which is included as a component unit.

In addition to the basic financial statements and the preceding applicable notes to financial statements, the following additional disclosures are considered necessary for a fair presentation.

##### ***a. Basis of Accounting/Measurement Focus***

The Library follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

##### ***b. Deposits and Investments***

	Carrying Value	Statement Balances	Associated Risks
Deposits with financial institutions	\$ 1,358,260	\$ 1,403,791	Custodial credit risk
Money market mutual funds	3,050,663	3,050,663	Credit risk, interest rate risk
Illinois Funds	7,039	7,039	Credit risk
Petty cash	<u>562</u>	<u>-</u>	N/A
Total Deposits and Investments	<u>\$ 4,416,524</u>	<u>\$ 4,461,493</u>	

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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##### **G. COMPONENT UNIT** (cont.)

##### **HIGHLAND PARK PUBLIC LIBRARY** (cont.)

##### b. Deposits and Investments (cont.)

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

The Library used the market valuation method for all recurring fair value measurements.

As of December 31, 2020, the Library's investments were measured using valuation inputs as follows:

Investment Type	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Money market mutual funds	\$ 3,050,663	\$ -	\$ -	\$ 3,050,663
Total	<u>\$ 3,050,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,050,663</u>

##### **Custodial Credit Risk**

##### **Deposits**

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

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **G. COMPONENT UNIT** (cont.)

##### **HIGHLAND PARK PUBLIC LIBRARY** (cont.)

##### b. Deposits and Investments (cont.)

##### **Custodial Credit Risk** (cont.)

#### **Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library does not have any investments exposed to custodial credit risk.

##### **Interest Rate Risk**

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

As of December 31, 2020, the Library's investments were as follows:

Investment Type	Maturity (In Years)	
	Fair Value	< 1
Money market mutual funds	\$ 3,050,663	\$ 3,050,663
Totals	<u>\$ 3,050,663</u>	<u>\$ 3,050,663</u>

See Note I.D.1. for further information on deposit and investment policies.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### G. COMPONENT UNIT (cont.)

##### HIGHLAND PARK PUBLIC LIBRARY (cont.)

##### c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 500,000	\$ -	\$ -	\$ 500,000
Construction in progress	176,483	-	176,483	-
Land Improvements	69,249	-	-	69,249
Buildings and improvements	7,506,304	1,110,150	-	8,616,454
Machinery and equipment	1,830,596	454,246	-	2,284,842
Less: Accumulated depreciation	(4,205,134)	(212,487)	-	(4,417,621)
<b>Totals</b>	<b>\$ 5,877,498</b>	<b>\$ 1,351,909</b>	<b>\$ 176,483</b>	<b>\$ 7,052,924</b>

##### d. Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation debt	\$ 815,000	\$ -	\$ 45,000	\$ 770,000	\$ 45,000
Vested compensated absences	123,429	155,521	127,294	151,656	-
Total OPEB liability	232,795	302,050	116,604	418,241	-
Net pension liability - IMRF*	1,387,681	1,737,179	3,124,860	-	-
<b>Totals</b>	<b>\$ 2,558,905</b>	<b>\$ 2,194,750</b>	<b>\$ 3,413,758</b>	<b>\$ 1,339,897</b>	<b>\$ 45,000</b>

\* As of December 31, 2020, the net pension liability became a net pension asset of \$413,035.

	General Obligation Debt		
	Principal	Interest	Totals
2021	\$ 45,000	\$ 19,325	\$ 64,325
2022	50,000	18,425	68,425
2023	50,000	17,425	67,425
2024	50,000	16,425	66,425
2025	50,000	15,425	65,425
2026-2029	275,000	59,875	334,875
2031-2034	250,000	19,050	269,050
<b>Totals</b>	<b>\$ 770,000</b>	<b>\$ 165,950</b>	<b>\$ 935,950</b>



## **CITY OF HIGHLAND PARK**

### **NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020**

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#### **NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)**

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##### ***G. COMPONENT UNIT (cont.)***

##### ***HIGHLAND PARK HOUSING ASSOCIATIONS***

This report contains the Highland Park Housing Associations (Association), which is included as a component unit.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

##### **a. Basis of Accounting/Measurement Focus**

The Association follows the modified accrual basis of accounting and the flow of economic resources measurement focus.

##### **b. Deposits and Investments**

At year end, the carrying amount of the Association's deposits was \$2,013,107, consisting of deposits with financial institutions.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

#### G. COMPONENT UNIT (cont.)

#### HIGHLAND PARK HOUSING ASSOCIATIONS (cont.)

##### c. Restricted Assets

The following represent the balances of the restricted assets:

##### **Restricted cash**

The Associations are required to maintain certain escrow deposits and reserves according to partnership, loan and other regulatory agreements. These deposits and reserves include tenant security deposits, real estate tax and insurance escrow, replacement reserves, residual receipts reserves, and working capital reserves. As of December 31, 2020, restricted cash was \$923,934.

##### d. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance	Useful Lives (Years)
Land	\$ 220,000	\$ -	\$ -	\$ 220,000	N/A
Land improvements	371,890	-	-	371,890	27
Buildings	12,452,189	210,994	-	12,663,183	15-40
Equipment	817,816	20,765	-	838,581	5-10
Furniture and fixtures	1,488,744	25,593	-	1,514,337	5-10
Less: Accumulated depreciation/ amortization	(10,640,594)	(381,984)	-	(11,022,578)	
<b>Totals</b>	<b>\$ 4,710,045</b>	<b>\$ (124,632)</b>	<b>\$ -</b>	<b>\$ 4,585,413</b>	

##### e. Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Mortgage loan payable	\$ 8,175,436	\$ -	\$ 351,375	\$ 7,824,061	\$ 289,544
Unamortized issuance costs	(206,292)	-	(17,127)	(189,165)	-
<b>Totals</b>	<b>\$ 7,969,144</b>	<b>\$ -</b>	<b>\$ 334,248</b>	<b>\$ 7,634,896</b>	<b>\$ 289,544</b>

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE II - DETAILED NOTES ON ALL FUNDS (cont.)

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##### **G. COMPONENT UNIT** (cont.)

##### **HIGHLAND PARK HOUSING ASSOCIATIONS** (cont.)

##### e. Long-Term Obligations (cont.)

Debt service requirements to maturity for the mortgage loan payable are as follows:

	<u>Principal</u>
2021	\$ 289,544
2022	654,651
2023	313,020
2024	248,568
2025	183,649
2026-2035	<u>6,134,629</u>
Totals	<u><u>\$ 7,824,061</u></u>

##### f. Contingent Liabilities

If the Association were not in compliance with the stipulated terms of loan agreements with Lake County (through the HOME and Investment Program) and the Illinois Housing Development Authority (IHDA), \$676,788 of mortgages would be due on demand. This amount has not been reflected as a liability due to its contingent nature.

##### g. Sale of Property

The Highland Park Apartment Associates Partnership has an executed purchase agreement dated December 29, 2020 with an undisclosed party (the "Purchaser"). The partnership sold to the Purchaser, all the Partnership's rights, title, and grants to the property and all the assets of the Property, as defined in the purchase agreement. The agreed-upon purchase price in the outstanding purchase agreement with the Purchaser is \$8,100,000. The due diligence period per the agreement ends February 27, 2021 and closing must occur by August 26, 2021. As of February 26, 2021, the closing on the sale had not occurred.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION

#### **A. EMPLOYEES' RETIREMENT SYSTEM**

The City 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 a single-employer pension plan. The benefits, benefits levels, employee contributions and employer contributions for the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. Total pension expense for the City and Library for the year ending December 31, 2020 totaled \$6,735,965 and \$274,881, respectively. The Police Pension Plan and the Firefighters' Pension Plan do not issue separate reports on the pension plans. IMRF does issue 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.

#### **Illinois Municipal Retirement Fund**

**Plan description.** 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. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with 8 years of 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 (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 3% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of 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 the first 15 years of service credit, plus 2% for each year of service after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount or 1/2 of the increase in the Consumer Price Index of the original pension amount.

Under the employer number within IMRF, both the City and Library contribute to the plan. As a result, IMRF is considered to be an agent multiple-employer plan through which cost-sharing occurs between the City and Library.

**Plan membership.** At December 31, 2019, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	277
Inactive, non-retired members	193
Active members	<u>201</u>
Total	<u><u>671</u></u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Contributions.** As set by statute, City and Library employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the City and Library to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City and Library's actuarially determined contribution rate for calendar year 2019 was 5.84% of annual covered payroll for IMRF. The City and Library also contribute for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Actuarial Assumptions.** The total pension liability for IMRF was determined by actuarial valuations performed as of December 31, 2019 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.25%
Inflation	2.50%
Salary increases	3.35% to 14.25%, including inflation
Price inflation	2.50%

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Long-Term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using an asset allocation study 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 long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	37.00%	7.05%	5.75%
International equities	18.00%	8.10%	6.50%
Fixed income	28.00%	3.70%	3.25%
Real estate	9.00%	6.35%	5.20%
Alternatives	7.00%		
Private equity		11.30%	7.60%
Hedge funds		N/A	N/A
Commodities		4.65%	3.60%
Cash equivalents	1.00%	1.85%	1.85%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2018 measurement date 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 City and Library contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents net pension liability/(asset) of the City and Library calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be 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	Current Discount Rate	1% Increase
<i>City:</i>			
Total pension liability	\$ 97,496,674	\$ 87,839,518	\$ 79,818,868
Plan fiduciary net pension	89,733,602	89,733,602	89,733,602
Net pension liability/(asset)	<u>\$ 7,763,072</u>	<u>\$ (1,894,084)</u>	<u>\$ (9,914,734)</u>
<i>Library:</i>			
Total pension liability	\$ 19,738,995	\$ 17,783,825	\$ 16,159,979
Plan fiduciary net pension	18,196,860	18,196,860	18,196,860
Net pension liability/(asset)	<u>\$ 1,542,135</u>	<u>\$ (413,035)</u>	<u>\$ (2,036,881)</u>
<i>Total:</i>			
Total pension liability	\$ 117,235,669	\$ 105,623,343	\$ 95,978,847
Plan fiduciary net pension	107,930,462	107,930,462	107,930,462
Net pension liability/(asset)	<u>\$ 9,305,207</u>	<u>\$ (2,307,119)</u>	<u>\$ (11,951,615)</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Changes in net pension liability/(asset).** The changes in net pension liability/(asset) for the calendar year ended December 31, 2019 were as follows:

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset) (a) - (b)
	(a)	(b)	(b)
<i>City:</i>			
Balances at December 31, 2018	\$ 85,630,103	\$ 78,687,868	\$ 6,942,235
Service cost	1,031,316	-	1,031,316
Interest on total pension liability	5,968,745	-	5,968,745
Differences between expected and actual experience of the total pension liability	491,192	-	491,192
Change of assumptions	(103,593)	-	(103,593)
Benefit payments, including refunds of employee contributions	(5,178,245)	(5,178,245)	-
Contributions - employer	-	635,859	(635,859)
Contributions - employee	-	506,334	(506,334)
Net investment income	-	15,047,814	(15,047,814)
Other (net transfer)	-	33,972	(33,972)
Balances at December 31, 2019	<u>\$ 87,839,518</u>	<u>\$ 89,733,602</u>	<u>\$ (1,894,084)</u>
<i>Library:</i>			
Balances at December 31, 2018	\$ 17,175,844	\$ 15,788,163	\$ 1,387,681
Service cost	224,895	-	224,895
Interest on total pension liability	1,301,579	-	1,301,579
Differences between expected and actual experience of the total pension liability	107,112	-	107,112
Change of assumptions	103,593	-	103,593
Benefit payments, including refunds of employee contributions	(1,129,198)	(1,129,198)	-
Contributions - employer	-	138,659	(138,659)
Contributions - employee	-	110,414	(110,414)
Net investment income	-	3,281,414	(3,281,414)
Other (net transfer)	-	7,408	(7,408)
Balances at December 31, 2019	<u>\$ 17,783,825</u>	<u>\$ 18,196,860</u>	<u>\$ (413,035)</u>
<i>Total:</i>			
Balances at December 31, 2018	\$ 102,805,947	\$ 94,476,031	\$ 8,329,916
Service cost	1,256,211	-	1,256,211
Interest on total pension liability	7,270,324	-	7,270,324
Differences between expected and actual experience of the total pension liability	598,304	-	598,304
Benefit payments, including refunds of employee contributions	(6,307,443)	(6,307,443)	-
Contributions - employer	-	774,518	(774,518)
Contributions - employee	-	616,748	(616,748)
Net investment income	-	18,329,228	(18,329,228)
Other (net transfer)	-	41,380	(41,380)
Balances at December 31, 2019	<u>\$ 105,623,343</u>	<u>\$ 107,930,462</u>	<u>\$ (2,307,119)</u>
Plan fiduciary net position as a percentage of the total pension liability			102.18 %



# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2020, the City and Library recognized pension expense of \$1,535,422 (\$1,260,541 for the City and \$274,881 for the Library). The City and Library reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<i>City:</i>		
Difference between expected and actual experience	\$ 713,849	\$ 8,496
Assumption changes	671,441	167,724
Net difference between projected and actual earnings on pension plan investments	-	4,054,293
Contributions subsequent to the measurement date	<u>963,636</u>	<u>-</u>
Total	<u>\$ 2,348,926</u>	<u>\$ 4,230,513</u>
<i>Library:</i>		
Difference between expected and actual experience	\$ 155,666	\$ 1,853
Assumption changes	146,418	36,575
Net difference between projected and actual earnings on pension plan investments	-	884,104
Contributions subsequent to the measurement date	<u>210,136</u>	<u>-</u>
Total	<u>\$ 512,220</u>	<u>\$ 922,532</u>
<i>Total:</i>		
Difference between expected and actual experience	\$ 869,515	\$ 10,349
Assumption changes	817,859	204,299
Net difference between projected and actual earnings on pension plan investments	-	4,938,397
Contributions subsequent to the measurement date	<u>1,173,772</u>	<u>-</u>
Total	<u>\$ 2,861,146</u>	<u>\$ 5,153,045</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending December 31, 2021. The remaining amounts reported as deferred outflows and inflows of resources related to pensions \$(3,465,671) will be recognized in pension expense as follows:

Year Ending December 31,	City	Library	Total
2021	\$ (141,560)	\$ (30,869)	\$ (172,429)
2022	(1,119,291)	(244,080)	(1,363,371)
2023	329,551	71,864	401,415
2024	(1,913,923)	(417,363)	(2,331,286)
Total	<u>\$ (2,845,223)</u>	<u>\$ (620,448)</u>	<u>\$ (3,465,671)</u>

#### Police Pension

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

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

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

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Plan membership.** At December 31, 2020, the Police Pension membership consisted of:

Retirees and beneficiaries	69
Inactive, non-retired members	7
Active members	<u>56</u>
Total	<u><u>132</u></u>

**Contributions.** Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2020 was 70.72% of annual covered payroll.

**Net Pension Liability/(Asset).** The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** The financial statements of the Police Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial Assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate, including inflation	7.00%
Inflation	2.50%
Projected salary increases, including inflation	3.00% - 10.50%
Cost-of-living adjustments	3.00% (1.25% for those hired on or after January 1, 2011)

Mortality rates were based on the RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2020 applied from 2013. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

**Discount rate.** The discount rate used to measure the total pension liability for the Police Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 102,364,301	\$ 90,566,976	\$ 80,875,246
Plan fiduciary net position	52,038,948	52,038,948	52,038,948
Net pension liability	<u>\$ 50,325,353</u>	<u>\$ 38,528,028</u>	<u>\$ 28,836,298</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Changes in net pension liability/(asset).** The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2020 was as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/Asset
	(a)	(b)	(a) - (b)
Balances at December 31, 2019	\$ 87,655,491	\$ 45,798,447	\$ 41,857,044
Service cost	1,098,327	-	1,098,327
Interest on total pension liability	6,040,111	-	6,040,111
Differences between expected and actual experience of the total pension liability	1,124,121	-	1,124,121
Change of assumptions	(418,504)	-	(418,504)
Benefit payments, including refunds of employee contributions	(4,932,570)	(4,932,570)	-
Contributions - employer	-	4,144,814	(4,144,814)
Contributions - employee	-	706,354	(706,354)
Net investment income	-	6,362,881	(6,362,881)
Administration	-	(40,978)	40,978
Balances at December 31, 2020	<u>\$ 90,566,976</u>	<u>\$ 52,038,948</u>	<u>\$ 38,528,028</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2020, the City recognized pension expense of \$2,828,744. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,426,457	\$ 1,048,454
Assumption changes	540,382	778,685
Net difference between projected and actual earnings on pension plan investments	-	3,822,022
Total	<u>\$ 1,966,839</u>	<u>\$ 5,649,161</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$3,682,322) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2021	\$ (1,160,370)
2022	(657,220)
2023	(1,373,600)
2024	(491,132)
Total	<u>\$ (3,682,322)</u>

#### Firefighters' Pension

**Plan description.** Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund.

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

**Tier 1** - Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

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

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM** (cont.)

**Plan membership.** At December 31, 2020, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	66
Inactive, non-retired members	2
Active members	<u>47</u>
Total	<u><u>115</u></u>

**Contributions.** Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2020, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. The City's actuarially determined contribution rate for the fiscal year ending December 31, 2020 was 74.31% of annual covered payroll.

**Net pension liability/(asset).** The net pension liability/(asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

**Summary of significant accounting policies.** The financial statements of the Firefighters' Pension Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial methods and assumptions:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Interest rate, including inflation	7.00%
Inflation	2.50%
Projected salary increases, including inflation	3.00% - 12.00%
Cost-of-living adjustments	3.00% (1.25% for those hired on or after January 1, 2011)

Mortality rates were based on the RP-2014 Mortality Table with a blue collar adjustment, with generational improvement scale MP-2020 applied from 2013. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated October 5, 2017.

**Discount rate.** The discount rate used to measure the total pension liability for the Firefighters' Pension Plan was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**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 pension liability of the City calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 97,378,359	\$ 86,212,512	\$ 77,026,736
Plan fiduciary net position	54,468,348	54,468,348	54,468,348
Net pension liability	<u>\$ 42,910,011</u>	<u>\$ 31,744,164</u>	<u>\$ 22,558,388</u>



# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Changes in net pension liability/(asset).** The City's changes in net pension liability/(asset) for the calendar year ended December 31, 2020 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2019	\$ 82,747,845	\$ 48,385,165	\$ 34,362,680
Service cost	1,120,852	-	1,120,852
Interest on total pension liability	5,701,016	-	5,701,016
Differences between expected and actual experience of the total pension liability	1,916,695	-	1,916,695
Change of assumptions	(423,119)	-	(423,119)
Benefit payments, including refunds of employee contributions	(4,850,777)	(4,850,777)	-
Contributions - employer	-	3,704,421	(3,704,421)
Contributions - employee	-	527,343	(527,343)
Net investment income	-	6,746,379	(6,746,379)
Administration	-	(44,183)	44,183
Balances at December 31, 2020	<u>\$ 86,212,512</u>	<u>\$ 54,468,348</u>	<u>\$ 31,744,164</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2020, the City recognized pension expense of \$2,646,680. The City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,525,925	\$ 1,014,721
Assumption changes	820,292	711,574
Net difference between projected and actual earnings on pension plan investments	-	4,198,188
Total	<u>\$ 3,346,217</u>	<u>\$ 5,924,483</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions (\$ (2,578,266)) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2021	\$ (1,095,957)
2022	(162,947)
2023	(1,323,374)
2024	(244,919)
2025	<u>248,931</u>
Total	<u><u>\$ (2,578,266)</u></u>

### PENSION SEGMENT INFORMATION

#### Fiduciary Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 1,266,553	\$ 437,344	\$ 1,703,897
Investments			
Corporate bonds	2,740,169	3,904,634	6,644,803
U.S. Government and agency obligations	13,237,134	13,547,684	26,784,818
Mutual funds	31,363,696	33,121,972	64,485,668
Municipal bonds	2,589,625	2,631,139	5,220,764
Negotiable certificates of deposit	700,962	700,962	1,401,924
Prepaid items	-	795	795
Receivables			
Accrued interest	109,284	107,273	216,557
Due from primary government	<u>50,262</u>	<u>45,360</u>	<u>95,622</u>
Total Assets	<u>52,057,685</u>	<u>54,497,163</u>	<u>106,554,848</u>
<b>Liabilities</b>			
Accounts payable	<u>18,737</u>	<u>28,815</u>	<u>47,552</u>
Total Liabilities	<u>18,737</u>	<u>28,815</u>	<u>47,552</u>
<b>Net Position</b>			
Restricted for pension benefits	<u>\$ 52,038,948</u>	<u>\$ 54,468,348</u>	<u>\$106,507,296</u>

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions			
Employer	\$ 4,144,814	\$ 3,704,421	\$ 7,849,235
Plan members	706,354	527,343	1,233,697
Total Contributions	<u>4,851,168</u>	<u>4,231,764</u>	<u>9,082,932</u>
Investment Income			
Interest on investments	1,176,162	1,231,857	2,408,019
Net appreciation in fair value of investments	<u>5,245,351</u>	<u>5,576,672</u>	<u>10,822,023</u>
Total Investment income	6,421,513	6,808,529	13,230,042
Less investment income	<u>58,632</u>	<u>62,150</u>	<u>120,782</u>
Net investment income	<u>6,362,881</u>	<u>6,746,379</u>	<u>13,109,260</u>
Total Additions	<u>11,214,049</u>	<u>10,978,143</u>	<u>22,192,192</u>
<b>Deductions</b>			
Benefits	4,932,570	4,850,777	9,783,347
Administration	<u>40,978</u>	<u>44,183</u>	<u>85,161</u>
Total Deductions	<u>4,973,548</u>	<u>4,894,960</u>	<u>9,868,508</u>
Net change in net position	6,240,501	6,083,183	12,323,684
Net Position - Beginning of Year	<u>45,798,447</u>	<u>48,385,165</u>	<u>94,183,612</u>
Net Position - End of Year	<u>\$ 52,038,948</u>	<u>\$ 54,468,348</u>	<u>\$106,507,296</u>

#### B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The City participates in a public entity risk pool called Intergovernmental Personnel Benefit Cooperative to provide coverage for losses from health care of its employees and a public entity risk pool called the Illinois Public Risk Fund to provide coverage for losses from workers' compensation claims after January 1, 2017. However, other risks, such as liability and workers compensation (prior to January 1, 2017) are accounted for and financed by the City in the general fund. Starting January 1, 2019, the City joined the Suburban Liability Insurance Pool to provide coverage for general liability and property insurance.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### **B. RISK MANAGEMENT** (cont.)

##### ***Self Insurance***

For workers' compensation claims incurred prior to January 1, 2017, the uninsured risk of loss is \$250,000 per incident and these claims are managed by a third party administrator hired by the City as directed by the City's Human Resource Manager. Workers' compensation claims incurred after January 1, 2017 are covered through participation in a risk pool. The City has purchased commercial insurance for claims in excess of those amounts up to the statutory maximum. Settled claims have not exceeded the commercial coverage in any of the past three years.

All funds of the City participate in the risk management program. Amounts payable to the General Fund are based on estimates of the amounts necessary to pay prior and current year claims.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability.

##### ***Claims Liability***

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 788,993	\$ 581,370
Current year claims and changes in estimates	34,091	(109,154)
Claim payments	<u>(241,714)</u>	<u>(173,312)</u>
Unpaid Claims - End of Year	<u>\$ 581,370</u>	<u>\$ 298,904</u>

##### ***Public Entity Risk Pool***

##### **Intergovernmental Personnel Benefit Cooperative**

The City participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities. IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer. The City does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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### NOTE III - OTHER INFORMATION (cont.)

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#### ***B. RISK MANAGEMENT (cont.)***

##### ***Public Entity Risk Pool (cont.)***

##### ***Illinois Public Risk Fund***

Beginning on January 1, 2017, the City participates in the Illinois Public Risk Fund (IPRF). IPRF is a self-funded workers' compensation pool for public entities. The purpose of IPRF is to provide for the defense and payment when due of all compensation and other benefits under the Illinois Workers' Compensation and Occupational Diseases Laws on behalf of state and local governments within the State of Illinois. There are approximately 500 members. A Board of Trustees oversees the operation of IPRF and governs it in accordance with State of Illinois Regulations.

Member costs are proportional, based on contributions developed by payroll audits. Rates and any discounts approved by the Board of Trustees are used to determine standard premiums for each member. Each member's experience modifications are used. Members also participate in policyholder dividends based on IPRF's and individual member's experience. Members can also be assessed if the assets of IPRF are less than the reserves required to be maintained. The City is not aware of any additional amounts due to IPRF as of December 31, 2020.

IPRF does not cover the City's outstanding workers' compensation claims incurred prior to January 1, 2017.

##### ***Suburban Liability Insurance Pool***

Beginning on January 1, 2019, the City participates in the Suburban Liability Insurance Program (SLIP). SLIP is a self-fund municipal insurance pool to insure property and liability losses. For coverage such as property, auto liability, general liability, and crime losses, the City has assumed a self-insurance retention (SIR) limit per claim. A cap known as the "loss fund" has been used to limit the total exposure under this program.

#### ***C. OTHER POSTEMPLOYMENT BENEFITS***

**Plan description.** The City and Library's cost-sharing defined benefit OPEB plan, the Retiree Health Insurance Plan, provides insurance coverage for eligible retirees and their spouses through the City's group health insurance plan, which covers both active employees and retired members (or other qualified terminated employees) participating in the plan at blended rates. The plan is funded on a pay-as-you-go basis and no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### C. OTHER POSTEMPLOYMENT BENEFITS (cont.)

**Benefits provided.** The City and Library provide continuing healthcare insurance benefits for retirees and their dependents. Benefit provisions and contribution requirements are governed by State Statutes and the City's collective bargaining agreements. To be eligible for benefits, an employee must qualify for retirement under one of the City's or Library's retirement plans. Retired employees, with certain exceptions, are required to pay 100% of the premiums for such coverage. This results in an other postemployment benefit for the retirees, commonly referred to as an implicit rate subsidy. Certain inactive employees qualify for lifetime healthcare benefits under the Public Safety Employee Benefits Act (PSEBA). The City pays the full cost of coverage, including any eligible dependent coverage. Additionally, certain elected officials retired under old contract terms under which the City pays the full cost of coverage for a set post-service period of time.

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; dental care; and prescriptions. Upon a retiree or covered dependent becoming Medicare eligible, Medicare becomes the primary insurer and the City's plan becomes secondary.

**Employees covered by benefit terms.** At December 31, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	52
Active plan members	<u>247</u>
Total	<u><u>299</u></u>

**Total OPEB liability.** The City and Library reported liabilities for the proportionate share of the total OPEB liability measured as of December 31, 2020 and determined by an actuarial valuation as of December 31, 2020. The proportions of the total OPEB liability were based on the share of OPEB cost between the City and Library for the measurement year. At December 31, 2020, the City and Library's proportions were 98.06% and 1.94%, respectively.

**Actuarial assumptions and other inputs.** The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Healthcare participation rate	Currently participating - 50%; Currently waiving - 1/3 of the rate above
Healthcare cost trend rates	Initial - 5-6%; Ultimate - 5-6%
Retirees' share of benefit-related costs	100% (except for PSEBA and certain elected official retirees at 0%)

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### C. OTHER POSTEMPLOYMENT BENEFITS (cont.)

##### *Actuarial assumptions and other inputs* (cont.)

The discount rate was based on High Quality 20 Year Tax-Exempt G.O. Bond Rate as of December 31, 2020.

Mortality rates were based on the RP-2014 Study, with rates improved generationally using MP-2016 Improvement Rates (for IMRF employees) and the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates (for Police and Firefighters).

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

**Discount rate.** At December 31, 2020, the discount rate used to measure the total OPEB liability was 2.12%, which was a change from the December 31, 2019 rate of 2.74%. Since the plan is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

##### *Changes in the total OPEB liability.*

	City	Library	Total
Balances at December 31, 2019	\$ 13,331,000	\$ 232,795	\$ 13,563,795
Service cost	262,112	5,174	267,286
Interest	357,165	7,051	364,216
Differences between expected and actual experience	2,868,117	56,617	2,924,734
Changes in assumptions or other inputs	4,900,730	127,105	5,027,835
Benefit payments	(531,943)	(10,501)	(542,444)
Balances at December 31, 2020	<u>\$ 21,187,181</u>	<u>\$ 418,241</u>	<u>\$ 21,605,422</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.74 percent in 2019 to 2.12 percent in 2020, a change in election rate assumption for actives currently waiving coverage to be 1/3 the rate of the rate of active employees currently with coverage, and the expected increases in medical costs assumptions.

# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### C. OTHER POSTEMPLOYMENT BENEFITS (cont.)

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City and Library, as well as what the City and Library's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.12%) or 1-percentage-point higher (3.12%) than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB liability - City	\$ 25,817,466	\$ 21,187,181	\$ 17,711,949
Total OPEB liability - Library	<u>509,644</u>	<u>418,241</u>	<u>349,639</u>
Total OPEB liability - Total	<u>\$ 26,327,110</u>	<u>\$ 21,605,422</u>	<u>\$ 18,061,588</u>

**Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
	<u>(Varies)</u>	<u>(Varies)</u>	<u>(Varies)</u>
Total OPEB liability - City	\$ 17,351,524	\$ 21,187,181	\$ 26,357,023
Total OPEB liability - Library	<u>342,524</u>	<u>418,241</u>	<u>520,295</u>
Total OPEB liability - Total	<u>\$ 17,694,048</u>	<u>\$ 21,605,422</u>	<u>\$ 26,877,318</u>



# CITY OF HIGHLAND PARK

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

### NOTE III - OTHER INFORMATION (cont.)

#### C. OTHER POSTEMPLOYMENT BENEFITS (cont.)

**OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.** For the year ended December 31, 2020, the City and Library recognized OPEB expense of \$1,583,212 and \$31,253, respectively. At December 31, 2020, the City 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
City:		
Differences between expected and actual experience	\$ 2,620,224	\$ -
Changes of assumptions or other inputs	<u>7,059,351</u>	<u>479,033</u>
Total	<u>\$ 9,679,575</u>	<u>\$ 479,033</u>
Library:		
Differences between expected and actual experience	\$ 51,724	\$ -
Changes of assumptions or other inputs	<u>139,354</u>	<u>9,456</u>
Total	<u>\$ 191,078</u>	<u>\$ 9,456</u>
Total:		
Differences between expected and actual experience	\$ 2,671,948	\$ -
Changes of assumptions or other inputs	<u>7,198,705</u>	<u>488,489</u>
Total	<u>\$ 9,870,653</u>	<u>\$ 488,489</u>

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE III - OTHER INFORMATION (cont.)

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##### **C. OTHER POSTEMPLOYMENT BENEFITS (cont.)**

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

Year Ended December 31:	City	Library	Total
2021	\$ 963,935	\$ 19,028	\$ 982,963
2022	963,935	19,028	982,963
2023	963,935	19,028	982,963
2024	963,935	19,028	982,963
2025	963,935	19,028	982,963
Thereafter	<u>4,380,867</u>	<u>86,482</u>	<u>4,467,349</u>
Total	<u>\$ 9,200,542</u>	<u>\$ 181,622</u>	<u>\$ 9,382,164</u>

##### **D. SUBSEQUENT EVENT**

The federal government passed the American Rescue Plan Act on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The City's estimated award will be used to combat the negative effects of the public health emergency in the local economy. The City will receive 50% of the funds in 2021, with the remaining expected a year later. The funds are to cover costs incurred by December 31, 2024.

##### **E. TAX INCREMENT FINANCING DISTRICT**

The City of Highland Park has established several Tax Increment Redevelopment Project Areas (RPA's) to encourage redevelopment of certain sites for more market oriented commercial uses of the properties that will enhance their value and improve their contributions to the City and its surrounding areas. As part of the redevelopment plans, the City has made significant improvements to utilities, public parking, intersections, and traffic signalization, streets and landscaping. The redevelopment plans also include site preparation, land acquisition and assembly, and demolition/clearance.

Construction and development in the RPA's were the responsibility of developers and are substantially complete. To entice development of the areas, the City created tax increment financing (TIF) districts to finance public improvements made within the RPA's.

Several funds have been established to record the revenues generated in the RPA's that relate directly to servicing the debt issued to make public improvements in the RPA's.

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE III - OTHER INFORMATION (cont.)

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##### *F. TAX ABATEMENT*

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

The City is disclosing all abatement agreements individually.

The City has entered into tax abatement agreements with companies, in the form of sales tax incentive agreements, to stimulate economic development. In exchange for a rebate of sales tax, the companies agreed to operate business enterprises within City boundaries. The abatements are authorized through City Council resolutions and provide for partial reimbursement of land acquisition and eligible other improvement costs in return for the companies providing services within the City. The companies pay sales taxes as they become due, and after meeting the criteria established in the agreements, are entitled to rebates that directly correlate to the sales taxes paid.

Agreement Description	Calculation Method	Maximum Rebate	2020 Payments	Cumulative Payments
Gregory Hyundai (Resolution #15-13, initiating on January 28, 2013 and expiring on December 31, 2027)	50% of sales tax generated over annual base amount	500,000	42,601	485,178
Semersky Enterprises (Resolution #80-13, initiating on May 28, 2013 and expiring on December 31, 2025)	75% of sales tax generated over annual base amount	9,730,693	335,903	1,963,993
D&R Autoworks (Resolution #139-13, initiating on January 1, 2014 and expiring on December 31, 2023)	40% of sales tax generated over annual base amount	66,940	-	8,294
Lexus of Highland Park (Resolution #94-16, initiating on January 1, 2015 and expiring on December 31, 2024)	50% of sales tax generated over annual base amount	4,550,000	-	192,574

## CITY OF HIGHLAND PARK

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2020

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#### NOTE III - OTHER INFORMATION (cont.)

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##### ***G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS***

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87, which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

##### ***H. MAJOR CUSTOMERS***

The Village of Deerfield, Illinois and the Village of Lincolnshire, Illinois purchase water from the City's available supply. During the year ended December 31, 2020, these purchases amounted to \$2,934,505 or 27.84% and \$1,694,449 or 16.08%, respectively, of total water sales in the Water Fund.

## REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 3,703,700	\$ 5,127,200	\$ 4,962,508	\$ (164,692)
Personal property replacement tax	315,000	315,000	318,803	3,803
Licenses and permits	1,727,325	1,727,325	1,371,636	(355,689)
Public charges for services	2,751,651	2,745,210	1,882,572	(862,638)
Municipal sales tax	13,600,000	13,600,000	11,936,773	(1,663,227)
Fines, forfeitures and penalties	429,768	359,368	143,644	(215,724)
Utility taxes	2,300,000	2,300,000	2,242,932	(57,068)
Real estate transfer tax	1,600,000	1,600,000	2,291,611	691,611
Intergovernmental	7,104	7,104	24,264	17,160
State income tax	3,000,000	3,000,000	3,234,314	234,314
Franchise tax	1,805,000	1,805,000	1,430,149	(374,851)
Payments in lieu of taxes and affordable units	950,000	950,000	-	(950,000)
Other taxes	1,962,500	1,962,500	2,272,218	309,718
Reimbursements	227,130	1,801,762	1,844,785	43,023
Investment income	420,000	420,000	427,669	7,669
Miscellaneous	435,100	435,100	492,439	57,339
Total Revenues	<u>35,234,278</u>	<u>38,155,569</u>	<u>34,876,317</u>	<u>(3,279,252)</u>
<b>EXPENDITURES</b>				
General government	10,263,541	7,370,547	5,867,216	1,503,331
Public safety	22,061,130	21,614,994	20,359,514	1,255,480
Public works	3,182,316	2,697,171	2,502,293	194,878
Economic and physical development	4,477,071	4,609,277	4,079,601	529,676
Commissions	146,205	154,265	90,573	63,692
Total Expenditures	<u>40,130,263</u>	<u>36,446,254</u>	<u>32,899,197</u>	<u>3,547,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,895,985)</u>	<u>1,709,315</u>	<u>1,977,120</u>	<u>267,805</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	864,700	1,253,627	1,026,127	(227,500)
Total Other Financing Sources	<u>864,700</u>	<u>1,253,627</u>	<u>1,026,127</u>	<u>(227,500)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (4,031,285)</u>	<u>\$ 2,962,942</u>	<u>3,003,247</u>	<u>\$ 40,305</u>
FUND BALANCE - Beginning of Year			<u>35,749,161</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 38,752,408</u></u>	

See independent auditors' report and accompanying notes to required supplementary information.

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PUBLIC SAFETY PENSION LEVY FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 6,270,000	\$ 6,270,000	\$ 6,066,913	\$ (203,087)
Total Revenues	<u>6,270,000</u>	<u>6,270,000</u>	<u>6,066,913</u>	<u>(203,087)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC SAFETY</b>				
Pension contribution - police	3,323,100	3,323,100	3,201,494	121,606
Pension contribution - fire	<u>2,946,900</u>	<u>2,946,900</u>	<u>2,865,419</u>	<u>81,481</u>
Total Expenditures	<u>6,270,000</u>	<u>6,270,000</u>	<u>6,066,913</u>	<u>203,087</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE - Beginning of Year			-	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ -</u>	

See independent auditors' report and accompanying notes to required supplementary information.

# CITY OF HIGHLAND PARK

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Six Fiscal Years

MEASUREMENT DATE ENDED DECEMBER 31,	2014			2015		
	City	Library	Total	City	Library	Total
<b>Total pension liability</b>						
Service cost	\$ 1,139,492	\$ 227,596	\$ 1,367,088	\$ 1,022,406	\$ 204,210	\$ 1,226,616
Interest	5,146,290	1,027,892	6,174,182	5,487,591	1,186,662	6,674,253
Differences between expected and actual experience	519,699	103,802	623,501	(191,516)	(38,252)	(229,768)
Changes of assumptions	2,688,409	536,969	3,225,378	84,016	16,781	100,797
Benefit payments, including refunds of member contributions	<u>(3,737,505)</u>	<u>(746,509)</u>	<u>(4,484,014)</u>	<u>(4,018,036)</u>	<u>(802,541)</u>	<u>(4,820,577)</u>
<b>Net change in total pension liability</b>	5,756,385	1,149,750	6,906,135	2,384,461	566,860	2,951,321
<b>Total pension liability - beginning</b>	<u>69,916,203</u>	<u>13,964,685</u>	<u>83,880,888</u>	<u>75,672,588</u>	<u>15,114,435</u>	<u>90,787,023</u>
<b>Total pension liability - ending</b>	<u>\$ 75,672,588</u>	<u>\$ 15,114,435</u>	<u>\$ 90,787,023</u>	<u>\$ 78,057,049</u>	<u>\$ 15,681,295</u>	<u>\$ 93,738,344</u>
<b>Plan fiduciary net position</b>						
Employer contributions	\$ 1,137,674	\$ 227,233	\$ 1,364,907	\$ 1,050,302	\$ 209,782	\$ 1,260,084
Employee contributions	460,920	92,062	552,982	497,687	99,405	597,092
Net investment income	4,338,800	866,609	5,205,409	364,113	72,726	436,839
Benefit payments, including refunds of member contributions	(3,737,505)	(746,509)	(4,484,014)	(4,018,036)	(802,541)	(4,820,577)
Other (net transfer)	<u>(339,584)</u>	<u>(67,827)</u>	<u>(407,411)</u>	<u>1,235,558</u>	<u>246,784</u>	<u>1,482,342</u>
<b>Net change in plan fiduciary net position</b>	1,860,305	371,568	2,231,873	(870,376)	(173,844)	(1,044,220)
<b>Plan fiduciary net position - beginning</b>	<u>72,197,330</u>	<u>14,420,305</u>	<u>86,617,635</u>	<u>74,057,635</u>	<u>14,791,873</u>	<u>88,849,508</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 74,057,635</u>	<u>\$ 14,791,873</u>	<u>\$ 88,849,508</u>	<u>\$ 73,187,259</u>	<u>\$ 14,618,029</u>	<u>\$ 87,805,288</u>
<b>Employer's net pension (asset) liability</b>	<u>\$ 1,614,953</u>	<u>\$ 322,562</u>	<u>\$ 1,937,515</u>	<u>\$ 4,869,790</u>	<u>\$ 1,063,266</u>	<u>\$ 5,933,056</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>			97.87%			93.67%
<b>Covered payroll</b>			\$ 12,110,977			\$ 11,909,272
<b>Employer's net pension (asset) liability as a percentage of covered payroll</b>			16.00%			49.82%

**Notes to Schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. The City utilizes the IMRF report as of the prior fiscal year end date.



2016			2017			2018		
City	Library	Total	City	Library	Total	City	Library	Total
\$ 1,026,536	\$ 222,765	\$ 1,249,301	\$ 1,069,483	\$ 216,409	\$ 1,285,892	\$ 988,872	\$ 197,665	\$ 1,186,537
5,649,003	1,225,870	6,874,873	5,902,625	1,194,392	7,097,017	5,881,037	1,175,560	7,056,597
89,228	19,363	108,591	(128,443)	(25,990)	(154,433)	1,230,100	245,884	1,475,984
(79,196)	(23,676)	(102,872)	(2,480,332)	(568,021)	(3,048,353)	2,097,398	431,103	2,528,501
<u>(4,232,741)</u>	<u>(918,532)</u>	<u>(5,151,273)</u>	<u>(4,546,137)</u>	<u>(919,907)</u>	<u>(5,466,044)</u>	<u>(4,894,379)</u>	<u>(978,336)</u>	<u>(5,872,715)</u>
2,452,830	525,790	2,978,620	(182,804)	(103,117)	(285,921)	5,303,028	1,071,876	6,374,904
<u>78,057,049</u>	<u>15,681,295</u>	<u>93,738,344</u>	<u>80,509,879</u>	<u>16,207,085</u>	<u>96,716,964</u>	<u>80,327,075</u>	<u>16,103,968</u>	<u>96,431,043</u>
<u>\$ 80,509,879</u>	<u>\$ 16,207,085</u>	<u>\$ 96,716,964</u>	<u>\$ 80,327,075</u>	<u>\$ 16,103,968</u>	<u>\$ 96,431,043</u>	<u>\$ 85,630,103</u>	<u>\$ 17,175,844</u>	<u>\$102,805,947</u>
\$ 1,187,009	\$ 257,589	\$ 1,444,598	\$ 997,050	\$ 201,752	\$ 1,198,802	\$ 1,068,278	\$ 213,538	\$ 1,281,816
456,822	99,133	555,955	479,146	96,955	576,101	476,205	95,189	571,394
4,960,758	1,076,517	6,037,275	13,634,242	2,758,878	16,393,120	(5,050,384)	(1,009,520)	(6,059,904)
(4,232,741)	(918,532)	(5,151,273)	(4,546,137)	(919,907)	(5,466,044)	(4,894,379)	(978,336)	(5,872,715)
<u>439,215</u>	<u>95,312</u>	<u>534,527</u>	<u>(1,415,505)</u>	<u>(286,426)</u>	<u>(1,701,931)</u>	<u>1,941,030</u>	<u>387,992</u>	<u>2,329,022</u>
2,811,063	610,019	3,421,082	9,148,796	1,851,252	11,000,048	(6,459,250)	(1,291,137)	(7,750,387)
<u>73,187,259</u>	<u>14,618,029</u>	<u>87,805,288</u>	<u>75,998,322</u>	<u>15,228,048</u>	<u>91,226,370</u>	<u>85,147,118</u>	<u>17,079,300</u>	<u>102,226,418</u>
<u>\$ 75,998,322</u>	<u>\$ 15,228,048</u>	<u>\$ 91,226,370</u>	<u>\$ 85,147,118</u>	<u>\$ 17,079,300</u>	<u>\$102,226,418</u>	<u>\$ 78,687,868</u>	<u>\$ 15,788,163</u>	<u>\$ 94,476,031</u>
<u>\$ 4,511,557</u>	<u>\$ 979,037</u>	<u>\$ 5,490,594</u>	<u>\$ (4,820,043)</u>	<u>\$ (975,332)</u>	<u>\$ (5,795,375)</u>	<u>\$ 6,942,235</u>	<u>\$ 1,387,681</u>	<u>\$ 8,329,916</u>
		94.32%			106.01%			91.90%
		\$ 12,354,507			\$ 12,487,524			\$ 12,689,196
		44.44%			-46.41%			65.65%

See independent auditors' report and accompanying notes to required supplementary information

# CITY OF HIGHLAND PARK

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Six Fiscal Years

MEASUREMENT DATE ENDED DECEMBER 31,	2019		
	City	Library	Total
<b>Total pension liability</b>			
Service cost	\$ 1,031,316	\$ 224,895	\$ 1,256,211
Interest	5,968,745	1,301,579	\$ 7,270,324
Differences between expected and actual experience	491,192	107,112	598,304
Changes of assumptions	(103,593)	103,593	-
Benefit payments, including refunds of member contributions	<u>(5,178,245)</u>	<u>(1,129,198)</u>	<u>(6,307,443)</u>
<b>Net change in total pension liability</b>	2,209,415	607,981	2,817,396
<b>Total pension liability - beginning</b>	<u>85,630,103</u>	<u>17,175,844</u>	<u>102,805,947</u>
<b>Total pension liability - ending</b>	<u>\$ 87,839,518</u>	<u>\$ 17,783,825</u>	<u>\$105,623,343</u>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 635,859	\$ 138,659	\$ 774,518
Employee contributions	506,334	110,414	616,748
Net investment income	15,047,814	3,281,414	18,329,228
Benefit payments, including refunds of member contributions	(5,178,245)	(1,129,198)	(6,307,443)
Other (net transfer)	<u>33,972</u>	<u>7,408</u>	<u>41,380</u>
<b>Net change in plan fiduciary net position</b>	11,045,734	2,408,697	13,454,431
<b>Plan fiduciary net position - beginning</b>	<u>78,687,868</u>	<u>15,788,163</u>	<u>94,476,031</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 89,733,602</u>	<u>\$ 18,196,860</u>	<u>\$107,930,462</u>
<b>Employer's net pension (asset) liability</b>	<u>\$ (1,894,084)</u>	<u>\$ (413,035)</u>	<u>\$ (2,307,119)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>			102.18%
<b>Covered payroll</b>			\$ 13,262,311
<b>Employer's net pension (asset) liability as a percentage of covered payroll</b>			-17.40%

**Notes to Schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2015 is not available. The City utilizes the IMRF report as of the prior fiscal year end date.

# CITY OF HIGHLAND PARK

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Seven Fiscal Years

<b>FISCAL YEAR ENDED DECEMBER 31,</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<i>City:</i>							
Actuarially determined contribution	\$ 1,137,675	\$ 1,034,196	\$ 1,132,913	\$ 997,050	\$ 1,002,539	\$ 645,492	\$ 946,526
Contributions in relation to the actuarially determined contribution	<u>(1,137,675)</u>	<u>(1,050,302)</u>	<u>(1,187,009)</u>	<u>(997,050)</u>	<u>(1,068,278)</u>	<u>(645,492)</u>	<u>(963,635)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (16,106)</u>	<u>\$ (54,096)</u>	<u>\$ -</u>	<u>\$ (65,739)</u>	<u>\$ -</u>	<u>\$ (17,109)</u>
<i>Library:</i>							
Actuarially determined contribution	\$ 227,232	\$ 225,805	\$ 245,850	\$ 201,752	\$ 200,397	\$ 129,027	\$ 206,405
Contributions in relation to the actuarially determined contribution	<u>(227,232)</u>	<u>(209,782)</u>	<u>(257,589)</u>	<u>(201,752)</u>	<u>(213,538)</u>	<u>(129,027)</u>	<u>(210,136)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ 16,023</u>	<u>\$ (11,739)</u>	<u>\$ -</u>	<u>\$ (13,141)</u>	<u>\$ -</u>	<u>\$ (3,731)</u>
<i>Total:</i>							
Actuarially determined contribution	\$ 1,364,907	\$ 1,260,001	\$ 1,378,763	\$ 1,198,802	\$ 1,202,936	\$ 774,519	\$ 1,152,931
Contributions in relation to the actuarially determined contribution	<u>(1,364,907)</u>	<u>(1,260,084)</u>	<u>(1,444,598)</u>	<u>(1,198,802)</u>	<u>(1,281,816)</u>	<u>(774,519)</u>	<u>(1,173,771)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (83)</u>	<u>\$ (65,835)</u>	<u>\$ -</u>	<u>\$ (78,880)</u>	<u>\$ -</u>	<u>\$ (20,840)</u>
Covered payroll	\$ 12,110,977	\$ 11,909,272	\$ 12,354,507	\$ 12,487,524	\$ 12,689,196	\$ 13,262,311	\$ 13,468,825
Contributions as a percentage of covered payroll	11.27%	10.58%	11.69%	9.60%	10.10%	5.84%	8.71%

**Notes to Schedule:**

The City implemented GASB Statement No. 68 in fiscal year 2015. Information prior to fiscal year 2014 is not available.

**Valuation date:**

Actuarially determined contribution rates are calculated as of December 31.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 Years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014 CHBCA

**Other information:**

There were no benefit changes during the year.

See independent auditors' report and accompanying notes to required supplementary information

# CITY OF HIGHLAND PARK

## POLICE PENSION FUND

### SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS Last Seven Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
<b>Total pension liability</b>							
Service cost	\$ 1,182,934	\$ 1,064,486	\$ 1,064,486	\$ 1,030,551	\$ 977,398	\$ 1,012,169	\$ 1,098,327
Interest	4,501,578	5,035,873	5,605,033	5,438,896	5,784,269	5,865,384	6,040,111
Change of benefit terms	-	-	-	-	-	120,133	-
Differences between expected and actual experience	1,257,742	(3,001,393)	(3,845,761)	1,228,822	(823,835)	468,990	1,124,121
Changes of assumptions	4,426,870	7,838,817	(1,050,165)	1,683,870	(259,864)	(274,852)	(418,504)
Benefit payments, including refunds of member contributions	(3,643,922)	(3,828,758)	(3,914,056)	(4,312,044)	(4,478,088)	(4,630,285)	(4,932,570)
<b>Net change in total pension liability</b>	<b>7,725,202</b>	<b>7,109,025</b>	<b>(2,140,463)</b>	<b>5,070,095</b>	<b>1,199,880</b>	<b>2,561,539</b>	<b>2,911,485</b>
<b>Total pension liability - beginning</b>	<b>66,130,213</b>	<b>73,855,415</b>	<b>80,964,440</b>	<b>78,823,977</b>	<b>83,894,072</b>	<b>85,093,952</b>	<b>87,655,491</b>
<b>Total pension liability - ending</b>	<b>\$ 73,855,415</b>	<b>\$ 80,964,440</b>	<b>\$ 78,823,977</b>	<b>\$ 83,894,072</b>	<b>\$ 85,093,952</b>	<b>\$ 87,655,491</b>	<b>\$ 90,566,976</b>
<b>Plan fiduciary net position</b>							
Employer contributions	\$ 2,390,587	\$ 2,809,109	\$ 3,611,980	\$ 3,760,188	\$ 3,987,084	\$ 3,983,517	\$ 4,144,814
Employee contributions	493,606	570,105	515,835	507,838	529,624	560,825	706,354
Net investment income	2,055,703	(62,999)	2,082,877	4,498,017	(1,833,032)	7,305,648	6,362,881
Benefit payments, including refunds of member contributions	(3,643,718)	(3,828,758)	(3,914,056)	(4,312,044)	(4,478,088)	(4,630,285)	(4,932,570)
Administration	(37,527)	(40,316)	(47,772)	(48,455)	(48,069)	(48,490)	(40,978)
<b>Net change in plan fiduciary net position</b>	<b>1,258,651</b>	<b>(552,859)</b>	<b>2,248,864</b>	<b>4,405,544</b>	<b>(1,842,481)</b>	<b>7,171,215</b>	<b>6,240,501</b>
<b>Plan fiduciary net position - beginning</b>	<b>33,109,513</b>	<b>34,368,164</b>	<b>33,815,305</b>	<b>36,064,169</b>	<b>40,469,713</b>	<b>38,627,232</b>	<b>45,798,447</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 34,368,164</b>	<b>\$ 33,815,305</b>	<b>\$ 36,064,169</b>	<b>\$ 40,469,713</b>	<b>\$ 38,627,232</b>	<b>\$ 45,798,447</b>	<b>\$ 52,038,948</b>
<b>City's net pension liability</b>	<b>\$ 39,487,251</b>	<b>\$ 47,149,135</b>	<b>\$ 42,759,808</b>	<b>\$ 43,424,359</b>	<b>\$ 46,466,720</b>	<b>\$ 41,857,044</b>	<b>\$ 38,528,028</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>46.53%</b>	<b>41.77%</b>	<b>45.75%</b>	<b>48.24%</b>	<b>45.39%</b>	<b>52.25%</b>	<b>57.46%</b>
<b>Covered payroll</b>	<b>\$ 4,871,007</b>	<b>\$ 5,100,745</b>	<b>\$ 5,322,381</b>	<b>\$ 5,178,365</b>	<b>\$ 5,582,970</b>	<b>\$ 5,825,859</b>	<b>\$ 5,860,741</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>810.66%</b>	<b>924.36%</b>	<b>803.40%</b>	<b>838.57%</b>	<b>832.29%</b>	<b>718.47%</b>	<b>657.39%</b>

**Notes to Schedule:**

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

# CITY OF HIGHLAND PARK

## POLICE PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 1,654,070	\$ 1,485,807	\$ 1,675,278	\$ 2,200,186	\$ 2,284,900
Contributions in relation to the actuarially determined contribution	1,681,690	1,508,625	1,704,410	2,390,587	2,809,109
Contribution deficiency (excess)	<u>\$ (27,620)</u>	<u>\$ (22,818)</u>	<u>\$ (29,132)</u>	<u>\$ (190,401)</u>	<u>\$ (524,209)</u>
Covered payroll	\$ 4,405,140	\$ 4,422,555	\$ 4,773,826	\$ 4,871,007	\$ 5,100,745
Contributions as a percentage of covered payroll	38.18%	34.11%	35.70%	49.08%	55.07%
	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 2,770,901	\$ 2,899,038	\$ 3,055,946	\$ 3,113,681	\$ 3,227,994
Contributions in relation to the actuarially determined contribution	3,611,980	3,760,188	3,987,084	3,983,501	4,144,814
Contribution deficiency (excess)	<u>\$ (841,079)</u>	<u>\$ (861,150)</u>	<u>\$ (931,138)</u>	<u>\$ (869,820)</u>	<u>\$ (916,820)</u>
Covered payroll	\$ 5,322,381	\$ 5,178,365	\$ 5,582,970	\$ 5,825,859	\$ 5,860,741
Contributions as a percentage of covered payroll	67.86%	72.61%	71.42%	68.38%	70.72%

### Notes to Schedule:

1) The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

2) Valuation date: Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

3) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit cost method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	3.00% to 10.50% (varies by service)
Investment rate of return	7.00%
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with generational improvement Scale MP-2020 applied from 2013.
	Disabled - RP-2014 Disabled Mortality Table, with generational improvement scale MP-2020 applied from 2013.

# CITY OF HIGHLAND PARK

## POLICE PENSION FUND SCHEDULE OF INVESTMENT RETURNS Last Seven Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	6.28%	-0.23%	6.49%	12.50%	-4.53%	18.96%	13.92%

**Notes to Schedule:**

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

# CITY OF HIGHLAND PARK

## FIREFIGHTERS' PENSION FUND

### SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

Last Seven Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
<b>Total pension liability</b>							
Service cost	\$ 1,270,045	\$ 1,140,851	\$ 1,140,851	\$ 1,094,398	\$ 1,047,631	\$ 1,007,419	\$ 1,120,852
Interest	4,258,893	4,670,319	5,293,408	5,149,483	5,376,209	5,477,719	5,701,016
Change of benefit terms	-	-	-	-	-	127,338	-
Differences between expected and actual experience	606,760	(2,482,216)	(4,314,074)	74,405	(281,132)	1,355,818	1,916,695
Changes of assumptions	3,112,667	7,969,435	(387,755)	966,601	(242,396)	(259,727)	(423,119)
Benefit payments, including refunds of member contributions	(3,300,789)	(3,440,905)	(3,635,051)	(3,849,010)	(4,149,394)	(4,541,682)	(4,850,777)
<b>Net change in total pension liability</b>	<b>5,947,576</b>	<b>7,857,484</b>	<b>(1,902,621)</b>	<b>3,435,877</b>	<b>1,750,918</b>	<b>3,166,885</b>	<b>3,464,667</b>
<b>Total pension liability - beginning</b>	<b>62,491,726</b>	<b>68,439,302</b>	<b>76,296,786</b>	<b>74,394,165</b>	<b>77,830,042</b>	<b>79,580,960</b>	<b>82,747,845</b>
<b>Total pension liability - ending</b>	<b>\$ 68,439,302</b>	<b>\$ 76,296,786</b>	<b>\$ 74,394,165</b>	<b>\$ 77,830,042</b>	<b>\$ 79,580,960</b>	<b>\$ 82,747,845</b>	<b>\$ 86,212,512</b>
<b>Plan fiduciary net position</b>							
Employer contributions	\$ 2,411,772	\$ 2,472,050	\$ 3,412,844	\$ 3,740,496	\$ 4,035,618	\$ 4,033,757	\$ 3,704,421
Employee contributions	442,972	448,056	456,800	498,658	466,052	476,948	527,343
Net investment income	1,875,768	737,553	1,223,021	5,055,992	(1,962,553)	7,799,439	6,746,379
Benefit payments, including refunds of member contributions	(3,300,789)	(3,440,905)	(3,635,051)	(3,849,010)	(4,149,394)	(4,541,682)	(4,850,777)
Administration	(29,175)	(28,676)	(33,155)	(32,745)	(31,140)	(39,131)	(44,183)
<b>Net change in plan fiduciary net position</b>	<b>1,400,548</b>	<b>188,078</b>	<b>1,424,459</b>	<b>5,413,391</b>	<b>(1,641,417)</b>	<b>7,729,331</b>	<b>6,083,183</b>
<b>Plan fiduciary net position - beginning</b>	<b>33,870,775</b>	<b>35,271,323</b>	<b>35,459,401</b>	<b>36,883,860</b>	<b>42,297,251</b>	<b>40,655,834</b>	<b>48,385,165</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 35,271,323</b>	<b>\$ 35,459,401</b>	<b>\$ 36,883,860</b>	<b>\$ 42,297,251</b>	<b>\$ 40,655,834</b>	<b>\$ 48,385,165</b>	<b>\$ 54,468,348</b>
<b>City's net pension liability</b>	<b>\$ 33,167,979</b>	<b>\$ 40,837,385</b>	<b>\$ 37,510,305</b>	<b>\$ 35,532,791</b>	<b>\$ 38,925,126</b>	<b>\$ 34,362,680</b>	<b>\$ 31,744,164</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>51.54%</b>	<b>46.48%</b>	<b>49.58%</b>	<b>54.35%</b>	<b>51.09%</b>	<b>58.47%</b>	<b>63.18%</b>
<b>Covered payroll</b>	<b>\$ 4,548,781</b>	<b>\$ 4,770,038</b>	<b>\$ 4,832,832</b>	<b>\$ 4,870,611</b>	<b>\$ 4,817,441</b>	<b>\$ 5,147,016</b>	<b>\$ 4,985,305</b>
<b>City's net pension liability as a percentage of covered payroll</b>	<b>729.16%</b>	<b>856.12%</b>	<b>776.16%</b>	<b>729.53%</b>	<b>808.00%</b>	<b>667.62%</b>	<b>636.75%</b>

**Notes to Schedule:**

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

# CITY OF HIGHLAND PARK

## FIREFIGHTERS' PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last Ten Fiscal Years

	2011	2012	2013	2014	2015
Actuarially determined contribution	\$ 1,529,803	\$ 1,468,564	\$ 1,644,227	\$ 2,217,940	\$ 2,201,713
Contributions in relation to the actuarially determined contribution	1,552,838	1,508,267	1,682,861	2,411,772	2,472,050
Contribution deficiency (excess)	<u>\$ (23,035)</u>	<u>\$ (39,703)</u>	<u>\$ (38,634)</u>	<u>\$ (193,832)</u>	<u>\$ (270,337)</u>
Covered payroll	\$ 4,330,427	\$ 4,519,476	\$ 4,568,865	\$ 4,548,781	\$ 4,770,037
Contributions as a percentage of covered payroll	35.86%	33.37%	36.83%	53.02%	51.82%
	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 2,619,715	\$ 2,629,419	\$ 2,608,199	\$ 2,570,829	\$ 2,713,800
Contributions in relation to the actuarially determined contribution	3,412,844	3,740,496	4,035,618	4,033,741	3,704,421
Contribution deficiency (excess)	<u>\$ (793,129)</u>	<u>\$ (1,111,077)</u>	<u>\$ (1,427,419)</u>	<u>\$ (1,462,912)</u>	<u>\$ (990,621)</u>
Covered payroll	\$ 4,832,832	\$ 4,870,611	\$ 4,817,441	\$ 5,147,016	\$ 4,985,305
Contributions as a percentage of covered payroll	70.62%	76.80%	83.77%	78.37%	74.31%

### Notes to Schedule:

1) The Plan implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

2) Valuation date: Actuarially determined contributions are calculated as of December 31 of the current fiscal year.

3) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit cost method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	21 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	3.00% to 12.00% (varies by service)
Investment rate of return	7.00%
Mortality	Healthy - RP-2014 Mortality Table with a blue collar adjustment, with generational improvement Scale MP-2020 applied from 2013.
	Disabled - RP-2014 Disabled Mortality Table, with generational improvement scale MP-2020 applied from 2013.



**CITY OF HIGHLAND PARK**

**FIREFIGHTERS' PENSION FUND**  
**SCHEDULE OF INVESTMENT RETURNS**  
Last Seven Fiscal Years

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual money-weighted rate of return, net of investment expense	5.58%	1.99%	3.55%	13.65%	-4.62%	19.30%	14.04%

**Notes to Schedule:**

The Pension implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

# CITY OF HIGHLAND PARK

## RETIREE HEALTH INSURANCE PLAN SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS Three Most Recent Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB liability</b>			
Service cost	\$ 239,128	\$ 217,222	\$ 267,286
Interest	362,783	404,163	364,216
Differences between expected and actual experience	-	-	2,924,734
Changes of assumptions	(737,720)	3,362,820	5,027,835
Benefit payments, including refunds of member contributions	<u>(542,341)</u>	<u>(552,749)</u>	<u>(542,444)</u>
<b>Net change in total OPEB liability</b>	(678,150)	3,431,456	8,041,627
<b>Total OPEB liability - beginning</b>	<u>10,810,489</u>	<u>10,132,339</u>	<u>13,563,795</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 10,132,339</u></u>	<u><u>\$ 13,563,795</u></u>	<u><u>\$ 21,605,422</u></u>
<b>Total OPEB liability - City</b>	\$ 9,942,522	\$ 13,331,000	\$ 21,187,181
<b>Total OPEB liability - Library</b>	<u>189,817</u>	<u>232,795</u>	<u>418,241</u>
<b>Total OPEB liability - Total</b>	<u><u>\$ 10,132,339</u></u>	<u><u>\$ 13,563,795</u></u>	<u><u>\$ 21,605,422</u></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%	0.00%
<b>Covered payroll</b>	\$ 20,695,903	\$ 21,794,381	\$ 23,807,136
<b>City's total OPEB liability as a percentage of covered payroll</b>	48.96%	62.24%	90.75%

**Notes to Schedule:**

The City implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

There is no ADC or employer contribution related to the ADC as the total OPEB liability is currently an unfunded obligation.

The City assigns General Fund balance each year equivalent to the actuarial valuation. The City Council has set aside approximately \$10 million to meet future requirements associated with OPEB, representing 46% of the total OPEB liability.

The information presented above includes the total OPEB liability for the City and Library.

# **CITY OF HIGHLAND PARK**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2020**

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### ***BUDGETARY INFORMATION***

Annual budgets are adopted on a basis in accordance with generally accepted accounting principles for all governmental funds. The budget is as amended by the City Council. All annual appropriations lapse at fiscal year end.

Prior to December 31, the City Finance Director submits to the City Council a proposed operating and capital budget for the fiscal year commencing January 1. The operating and capital budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to March 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

The City is authorized to change budgeted amounts within any department within any fund; however, revision must be approved by two-thirds of the members of the City Council. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The appropriated budget is prepared by fund, function, and department. The City Finance Director is authorized, with City Manager approval, to transfer budget amounts within any department or fund; however, the City Council must approve revisions that alter the total expenditures within any department of any fund.

## **SUPPLEMENTARY INFORMATION**

# CITY OF HIGHLAND PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
City Council				
Personnel services	\$ 200,928	\$ 200,928	\$ 194,150	\$ 6,778
Materials and supplies	328,400	90,696	87,059	3,637
Total city council	<u>529,328</u>	<u>291,624</u>	<u>281,209</u>	<u>10,415</u>
Administration				
Personnel services	723,742	651,295	628,335	22,960
Contractual services	148,401	142,653	118,096	24,557
Materials and supplies	72,300	55,950	52,975	2,975
Total administration	<u>944,443</u>	<u>849,898</u>	<u>799,406</u>	<u>50,492</u>
Human resources				
Personnel services	354,893	351,539	329,896	21,643
Contractual services	58,864	46,948	36,052	10,896
Materials and supplies	128,705	83,707	60,942	22,765
Capital outlay	39,915	39,665	36,026	3,639
Total human resources	<u>582,377</u>	<u>521,859</u>	<u>462,916</u>	<u>58,943</u>
Communications				
Personnel services	192,543	189,176	183,674	5,502
Contractual services	71,755	50,130	47,604	2,526
Materials and supplies	95,289	47,842	44,479	3,363
Capital outlay	2,150	2,150	2,027	123
Total communications	<u>361,737</u>	<u>289,298</u>	<u>277,784</u>	<u>11,514</u>
City Clerk				
Personnel services	188,816	187,354	182,345	5,009
Contractual services	38,632	37,355	36,832	523
Materials and supplies	1,905	1,430	441	989
Total city clerk	<u>229,353</u>	<u>226,139</u>	<u>219,618</u>	<u>6,521</u>
Senior services				
Personnel services	505,807	463,174	378,943	84,231
Contractual services	35,916	31,617	29,662	1,955
Materials and supplies	145,415	106,390	23,337	83,053
Capital outlay	22,000	6,000	-	6,000
Total senior services	<u>709,138</u>	<u>607,181</u>	<u>431,942</u>	<u>175,239</u>
Legal Department				
Contractual services	<u>971,615</u>	<u>872,076</u>	<u>814,484</u>	<u>57,592</u>
Total legal department	<u>971,615</u>	<u>872,076</u>	<u>814,484</u>	<u>57,592</u>
Finance administration and accounting				
Personnel services	1,057,252	1,012,052	975,453	36,599
Contractual services	2,008,958	1,912,940	1,529,400	383,540
Materials and supplies	187,560	178,060	158,120	19,940
Reserve & contingency	542,400	542,400	-	542,400
Total finance administration and accounting	<u>3,796,170</u>	<u>3,645,452</u>	<u>2,662,973</u>	<u>982,479</u>

# CITY OF HIGHLAND PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Facilities				
Personnel services	\$ 434,139	\$ 431,334	\$ 401,010	\$ 30,324
Contractual services	908,431	683,031	599,350	83,681
Materials and supplies	103,910	94,755	100,740	(5,985)
Capital outlay	2,210,100	405,100	362,984	42,116
Total facilities	<u>3,656,580</u>	<u>1,614,220</u>	<u>1,464,084</u>	<u>150,136</u>
Less administrative reimbursements				
Administrative reimbursements	(1,517,200)	(1,547,200)	(1,547,200)	-
Total less administrative reimbursements	<u>(1,517,200)</u>	<u>(1,547,200)</u>	<u>(1,547,200)</u>	<u>-</u>
Total General Government	<u>10,263,541</u>	<u>7,370,547</u>	<u>5,867,216</u>	<u>1,503,331</u>
<b>PUBLIC SAFETY</b>				
Police department - operations				
Personnel services	10,445,673	10,121,616	9,280,274	841,342
Contractual services	2,505,595	2,624,818	2,605,752	19,066
Materials and supplies	394,229	357,356	259,610	97,746
Capital outlay	151,864	46,864	46,809	55
Total police department - operations	<u>13,497,361</u>	<u>13,150,654</u>	<u>12,192,445</u>	<u>958,209</u>
Fire department - operations				
Personnel services	7,875,186	7,860,019	7,573,573	286,446
Contractual services	436,953	373,461	367,524	5,937
Materials and supplies	215,630	194,860	191,480	3,380
Capital outlay	36,000	36,000	34,492	1,508
Total fire department - operations	<u>8,563,769</u>	<u>8,464,340</u>	<u>8,167,069</u>	<u>297,271</u>
Total Public Safety	<u>22,061,130</u>	<u>21,614,994</u>	<u>20,359,514</u>	<u>1,255,480</u>
<b>PUBLIC WORKS</b>				
Public works administration				
Personnel services	590,031	569,748	552,691	17,057
Contractual services	158,976	146,296	141,857	4,439
Materials and supplies	14,650	12,000	8,203	3,797
Total public works administration	<u>763,657</u>	<u>728,044</u>	<u>702,751</u>	<u>25,293</u>
Facilities				
Capital outlay	360,000	212,500	114,522	97,978
Total facilities	<u>360,000</u>	<u>212,500</u>	<u>114,522</u>	<u>97,978</u>
Engineering				
Personnel services	783,529	701,468	673,226	28,242
Contractual services	157,794	138,273	132,674	5,599
Materials and supplies	26,500	11,810	10,845	965
Total engineering	<u>967,823</u>	<u>851,551</u>	<u>816,745</u>	<u>34,806</u>

# CITY OF HIGHLAND PARK

## DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Forestry				
Personnel services	\$ 344,127	\$ 299,308	\$ 287,446	\$ 11,862
Contractual services	568,639	527,698	501,591	26,107
Materials and supplies	23,070	23,070	24,241	(1,171)
Capital outlay	155,000	55,000	54,997	3
Total forestry	<u>1,090,836</u>	<u>905,076</u>	<u>868,275</u>	<u>36,801</u>
Total Public Works	<u>3,182,316</u>	<u>2,697,171</u>	<u>2,502,293</u>	<u>194,878</u>
<b>ECONOMIC AND PHYSICAL DEVELOPMENT</b>				
Community development				
Personnel services	2,875,902	2,729,002	2,617,336	111,666
Contractual services	552,093	449,614	410,494	39,120
Materials and supplies	68,011	61,814	29,627	32,187
Total community development	<u>3,496,006</u>	<u>3,240,430</u>	<u>3,057,457</u>	<u>182,973</u>
Economic development				
Personnel services	172,108	170,637	160,151	10,486
Contractual services	17,282	15,955	15,505	450
Materials and supplies	340,675	702,255	467,984	234,271
Revenue sharing	451,000	480,000	378,504	101,496
Total economic development	<u>981,065</u>	<u>1,368,847</u>	<u>1,022,144</u>	<u>346,703</u>
Total Economic and physical development	<u>4,477,071</u>	<u>4,609,277</u>	<u>4,079,601</u>	<u>529,676</u>
<b>COMMISSIONS</b>				
Personnel services	45,575	42,975	33,160	9,815
Contractual services	84,805	100,525	50,651	49,874
Materials and supplies	15,825	10,765	6,762	4,003
Total commissions	<u>146,205</u>	<u>154,265</u>	<u>90,573</u>	<u>63,692</u>
Total Expenditures	<u>\$ 40,130,263</u>	<u>\$ 36,446,254</u>	<u>\$ 32,899,197</u>	<u>\$ 3,547,057</u>

# CITY OF HIGHLAND PARK

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2020

	Special Revenue Funds			
	Motor Fuel Tax	Emergency 911 System	Foreign Fire Insurance Tax	Environmental Sustainability
<b>ASSETS</b>				
Cash	\$ 278,343	\$ -	\$ 472,581	\$ 517,389
Receivables (net)				
Property taxes	-	-	-	-
Motor fuel tax allotments	98,802	108,546	-	-
Accounts	-	-	221	27,061
Prepaid items	-	-	359	-
Deposits	-	197,026	-	-
<b>TOTAL ASSETS</b>	<u>\$ 377,145</u>	<u>\$ 305,572</u>	<u>\$ 473,161</u>	<u>\$ 544,450</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 1,216	\$ 3,000	\$ -
Accrued liabilities	-	-	-	359
Due to other funds	-	205,581	-	-
Total Liabilities	<u>-</u>	<u>206,797</u>	<u>3,000</u>	<u>359</u>
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenue for other	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable for prepaid items	-	-	359	-
Restricted for streets	377,145	-	-	-
Restricted for public safety	-	98,775	469,802	-
Restricted for economic development	-	-	-	-
Restricted for affordable housing	-	-	-	-
Committed for sustainability initiatives	-	-	-	544,091
Committed for transportation	-	-	-	-
Assigned for debt service	-	-	-	-
Total Fund Balances	<u>377,145</u>	<u>98,775</u>	<u>470,161</u>	<u>544,091</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 377,145</u>	<u>\$ 305,572</u>	<u>\$ 473,161</u>	<u>\$ 544,450</u>



Special Revenue Funds		Debt Service Fund	Capital Project Funds		Total Nonmajor Governmental Funds
Multi-Modal Transportation	Affordable Housing	Debt Service	Tax Increment Financing - Ravinia	Tax Increment Financing - Briergate	
\$ 1,371,178	\$ 1,522,942	\$ 876,660	\$ 388,687	\$ 1,159,302	\$ 6,587,082
2,660,645	-	1,245,636	389,736	969,600	5,265,617
-	-	-	-	-	207,348
117,183	418,750	-	-	-	563,215
-	-	-	-	-	359
-	-	-	-	-	197,026
<u>\$ 4,149,006</u>	<u>\$ 1,941,692</u>	<u>\$ 2,122,296</u>	<u>\$ 778,423</u>	<u>\$ 2,128,902</u>	<u>\$ 12,820,647</u>
\$ 41,917	\$ -	\$ 890	\$ 74,701	\$ -	\$ 121,724
12,574	17	-	-	-	12,950
-	-	-	-	-	205,581
<u>54,491</u>	<u>17</u>	<u>890</u>	<u>74,701</u>	<u>-</u>	<u>340,255</u>
2,637,698	-	1,227,019	387,228	969,600	5,221,545
8,991	418,750	-	-	-	427,741
<u>2,646,689</u>	<u>418,750</u>	<u>1,227,019</u>	<u>387,228</u>	<u>969,600</u>	<u>5,649,286</u>
-	-	-	-	-	359
-	-	-	-	-	377,145
-	-	-	-	-	568,577
-	-	-	316,494	1,159,302	1,475,796
-	1,522,925	-	-	-	1,522,925
-	-	-	-	-	544,091
1,447,826	-	-	-	-	1,447,826
-	-	894,387	-	-	894,387
<u>1,447,826</u>	<u>1,522,925</u>	<u>894,387</u>	<u>316,494</u>	<u>1,159,302</u>	<u>6,831,106</u>
<u>\$ 4,149,006</u>	<u>\$ 1,941,692</u>	<u>\$ 2,122,296</u>	<u>\$ 778,423</u>	<u>\$ 2,128,902</u>	<u>\$ 12,820,647</u>

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2020

	Motor Fuel Tax	Emergency 911 System	Foreign Fire Insurance Tax	Environmental Sustainability
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	-	182,849	-
Motor fuel tax	1,736,948	-	-	-
Payments in lieu of taxes and affordable units	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Public charges for services	-	686,362	-	251,581
Reimbursements	-	-	-	-
Interest income	2,840	1,551	108	1,560
Miscellaneous	-	-	-	-
Total Revenues	<u>1,739,788</u>	<u>687,913</u>	<u>182,957</u>	<u>253,141</u>
<b>EXPENDITURES</b>				
Current				
Public safety	-	17,805	123,538	-
Public works	-	-	-	-
Transit	-	-	-	-
Economic and physical development	-	-	-	63,935
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>17,805</u>	<u>123,538</u>	<u>63,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,739,788</u>	<u>670,108</u>	<u>59,419</u>	<u>189,206</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,643,500)	(685,000)	-	(60,000)
Total Other Financing Sources (Uses)	<u>(1,643,500)</u>	<u>(685,000)</u>	<u>-</u>	<u>(60,000)</u>
<b>Net Change in Fund Balances</b>	96,288	(14,892)	59,419	129,206
FUND BALANCES - Beginning of Year (as restated)	<u>280,857</u>	<u>113,667</u>	<u>410,742</u>	<u>414,885</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 377,145</u>	<u>\$ 98,775</u>	<u>\$ 470,161</u>	<u>\$ 544,091</u>

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<u>Multi-Modal Transportation</u>	<u>Affordable Housing</u>	<u>Debt Service</u>	<u>Tax Increment Financing - Ravinia</u>	<u>Tax Increment Financing - Briergate</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,454,970	\$ -	\$ 1,180,397	\$ 358,774	\$ 969,135	\$ 3,963,276
305,305	30,000	-	-	-	335,305
-	-	-	-	-	182,849
-	-	-	-	-	1,736,948
-	418,750	-	-	-	418,750
53,397	4,325	-	-	-	57,722
3,142	-	-	-	-	3,142
78,103	-	-	-	-	1,016,046
1,090,786	15,000	-	-	-	1,105,786
7,597	17,089	13,440	3,713	1,192	49,090
32,036	-	-	-	-	32,036
<u>3,025,336</u>	<u>485,164</u>	<u>1,193,837</u>	<u>362,487</u>	<u>970,327</u>	<u>8,900,950</u>
-	-	-	-	-	141,343
2,677,547	-	-	-	-	2,677,547
953,199	-	-	-	-	953,199
-	223,842	-	498,576	-	786,353
-	-	908,311	-	-	908,311
-	-	<u>390,495</u>	-	-	<u>390,495</u>
<u>3,630,746</u>	<u>223,842</u>	<u>1,298,806</u>	<u>498,576</u>	<u>-</u>	<u>5,857,248</u>
<u>(605,410)</u>	<u>261,322</u>	<u>(104,969)</u>	<u>(136,089)</u>	<u>970,327</u>	<u>3,043,702</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(291,127)</u>	<u>-</u>	<u>(2,679,627)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(291,127)</u>	<u>-</u>	<u>(2,679,627)</u>
(605,410)	261,322	(104,969)	(427,216)	970,327	364,075
<u>2,053,236</u>	<u>1,261,603</u>	<u>999,356</u>	<u>743,710</u>	<u>188,975</u>	<u>6,467,031</u>
<u>\$ 1,447,826</u>	<u>\$ 1,522,925</u>	<u>\$ 894,387</u>	<u>\$ 316,494</u>	<u>\$ 1,159,302</u>	<u>\$ 6,831,106</u>

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Motor fuel tax	\$ 1,125,600	\$ 1,643,500	\$ 1,736,948	\$ 93,448
Investment income	4,400	4,400	2,840	(1,560)
Total Revenues	<u>1,130,000</u>	<u>1,647,900</u>	<u>1,739,788</u>	<u>91,888</u>
<b>EXPENDITURES</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,130,000</u>	<u>1,647,900</u>	<u>1,739,788</u>	<u>91,888</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,125,600)</u>	<u>(1,643,500)</u>	<u>(1,643,500)</u>	<u>-</u>
Total Other Financing Uses	<u>(1,125,600)</u>	<u>(1,643,500)</u>	<u>(1,643,500)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 4,400</u>	<u>\$ 4,400</u>	96,288	<u>\$ 91,888</u>
FUND BALANCE - Beginning of Year			<u>280,857</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 377,145</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - EMERGENCY 911 SYSTEM FUND For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Public charges for services	\$ 675,000	\$ 675,000	\$ 686,362	\$ 11,362
Investment income	1,000	1,000	1,551	551
Total Revenues	<u>676,000</u>	<u>676,000</u>	<u>687,913</u>	<u>11,913</u>
<b>EXPENDITURES</b>				
Contractual services	15,000	15,000	14,647	353
Materials and supplies	<u>4,650</u>	<u>4,650</u>	<u>3,158</u>	<u>1,492</u>
Total Expenditures	<u>19,650</u>	<u>19,650</u>	<u>17,805</u>	<u>1,845</u>
Excess of revenues over expenditures	<u>656,350</u>	<u>656,350</u>	<u>670,108</u>	<u>13,758</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(685,000)</u>	<u>(685,000)</u>	<u>(685,000)</u>	-
Total Other Financing Uses	<u>(685,000)</u>	<u>(685,000)</u>	<u>(685,000)</u>	-
<b>Net Change in Fund Balance</b>	<u><u>\$ (28,650)</u></u>	<u><u>\$ (28,650)</u></u>	<u>(14,892)</u>	<u><u>\$ 13,758</u></u>
FUND BALANCE - Beginning of Year			<u>113,667</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u><u>\$ 98,775</u></u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ENVIRONMENTAL SUSTAINABILITY FUND For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Public charges for services	\$ 130,000	\$ 130,000	\$ 251,581	\$ 121,581
Investment income	-	-	1,560	1,560
Total Revenues	<u>130,000</u>	<u>130,000</u>	<u>253,141</u>	<u>123,141</u>
<b>EXPENDITURES</b>				
Personnel services	32,224	31,109	26,744	4,365
Contractual service	<u>69,100</u>	<u>69,100</u>	<u>37,191</u>	<u>31,909</u>
Total Expenditures	<u>101,324</u>	<u>100,209</u>	<u>63,935</u>	<u>36,274</u>
Excess of revenues over expenditures	<u>28,676</u>	<u>29,791</u>	<u>189,206</u>	<u>159,415</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(110,000)</u>	<u>(287,500)</u>	<u>(60,000)</u>	<u>227,500</u>
Total Other Financing Uses	<u>(110,000)</u>	<u>(287,500)</u>	<u>(60,000)</u>	<u>227,500</u>
<b>Net Change in Fund Balance</b>	<u>\$ (81,324)</u>	<u>\$ (257,709)</u>	129,206	<u>\$ 386,915</u>
FUND BALANCE - Beginning of Year			<u>414,885</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 544,091</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MULTI-MODAL TRANSPORTATION FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,503,100	\$ 1,503,100	\$ 1,454,970	\$ (48,130)
Other taxes	397,000	397,000	305,305	(91,695)
Licenses and permits	1,098,700	1,098,700	53,397	(1,045,303)
Intergovernmental	100	100	-	(100)
Fines, forfeitures and penalties	14,000	14,000	3,142	(10,858)
Public charges for services	68,578	68,578	78,103	9,525
PACE RTA fare reimbursement	1,450,000	1,450,000	1,090,786	(359,214)
Investment income	16,000	16,000	7,597	(8,403)
Miscellaneous	75,418	75,418	32,036	(43,382)
Total Revenues	<u>4,622,896</u>	<u>4,622,896</u>	<u>3,025,336</u>	<u>(1,597,560)</u>
<b>EXPENDITURES</b>				
<b>PUBLIC WORKS</b>				
Personnel services	1,395,426	1,212,821	1,044,249	168,572
Contractual services	1,004,762	999,762	909,433	90,329
Materials and supplies	703,835	613,835	473,676	140,159
Capital outlay	220,000	268,000	250,189	17,811
Total Public works	<u>3,324,023</u>	<u>3,094,418</u>	<u>2,677,547</u>	<u>416,871</u>
<b>TRANSIT</b>				
Personnel services	1,425,823	1,002,849	898,395	104,454
Contractual services	40,356	40,356	32,357	7,999
Materials and supplies	52,720	52,720	22,447	30,273
Total Transit	<u>1,518,899</u>	<u>1,095,925</u>	<u>953,199</u>	<u>142,726</u>
Total Expenditures	<u>4,842,922</u>	<u>4,190,343</u>	<u>3,630,746</u>	<u>559,597</u>
<b>Net Change in Fund Balance</b>	<u>\$ (220,026)</u>	<u>\$ 432,553</u>	(605,410)	<u>\$ (1,037,963)</u>
FUND BALANCE - Beginning of Year			<u>2,053,236</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,447,826</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - AFFORDABLE HOUSING FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other Taxes	\$ 200,000	\$ 200,000	\$ 30,000	\$ (170,000)
Payments in lieu of taxes and affordable units	417,000	417,000	418,750	1,750
Licenses and permits	28,000	28,000	4,325	(23,675)
Reimbursements	-	-	15,000	15,000
Investment income	13,000	13,000	17,089	4,089
Total Revenues	<u>658,000</u>	<u>658,000</u>	<u>485,164</u>	<u>(172,836)</u>
<b>EXPENDITURES</b>				
Economic and physical development	<u>422,093</u>	<u>422,093</u>	<u>223,842</u>	<u>198,251</u>
Total Expenditures	<u>422,093</u>	<u>422,093</u>	<u>223,842</u>	<u>198,251</u>
<b>Net Change in Fund Balance</b>	<u>\$ 235,907</u>	<u>\$ 235,907</u>	261,322	<u>\$ 25,415</u>
FUND BALANCE - Beginning of Year (as restated)			<u>1,261,603</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,522,925</u>	



# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,207,400	\$ 1,207,400	\$ 1,180,397	\$ (27,003)
Investment income	13,500	13,500	13,440	(60)
Reimbursements	65,225	65,225	-	(65,225)
Total Revenues	<u>1,286,125</u>	<u>1,286,125</u>	<u>1,193,837</u>	<u>(92,288)</u>
<b>EXPENDITURES</b>				
Principal	953,300	953,300	908,311	44,989
Interest and fiscal charges	<u>322,100</u>	<u>414,525</u>	<u>390,495</u>	<u>24,030</u>
Total Expenditures	<u>1,275,400</u>	<u>1,367,825</u>	<u>1,298,806</u>	<u>69,019</u>
<b>Net Change in Fund Balance</b>	<u>\$ 10,725</u>	<u>\$ (81,700)</u>	(104,969)	<u>\$ (23,269)</u>
FUND BALANCE - Beginning of Year			<u>999,356</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 894,387</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING - RAVINIA FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 179,700	\$ 374,500	\$ 358,774	\$ (15,726)
Investment income	-	-	3,713	3,713
Total Revenues	<u>179,700</u>	<u>374,500</u>	<u>362,487</u>	<u>(12,013)</u>
<b>EXPENDITURES</b>				
Contractual services	-	679,549	498,576	180,973
Total Expenditures	<u>-</u>	<u>679,549</u>	<u>498,576</u>	<u>180,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>179,700</u>	<u>(305,049)</u>	<u>(136,089)</u>	<u>168,960</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(179,700)	(291,127)	(291,127)	-
Total Other Financing Uses	<u>(179,700)</u>	<u>(291,127)</u>	<u>(291,127)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ (596,176)</u>	<u>(427,216)</u>	<u>\$ 168,960</u>
FUND BALANCE - Beginning of Year			<u>743,710</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 316,494</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - TAX INCREMENT FINANCING - BRIERGATE FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 126,500	\$ 969,600	\$ 969,135	\$ (465)
Investment income	1,200	1,200	1,192	(8)
Total Revenues	<u>127,700</u>	<u>970,800</u>	<u>970,327</u>	<u>(473)</u>
<b>EXPENDITURES</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 127,700</u>	<u>\$ 970,800</u>	970,327	<u>\$ (473)</u>
FUND BALANCE, Beginning of Year			<u>188,975</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 1,159,302</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,423,500	\$ -	\$ -	\$ -
Municipal sales tax	444,700	444,700	387,354	(57,346)
Reimbursements	600,100	600,100	469,374	(130,726)
Investment income	99,200	99,200	22,829	(76,371)
Total Revenues	<u>2,567,500</u>	<u>1,144,000</u>	<u>879,557</u>	<u>(264,443)</u>
<b>EXPENDITURES</b>				
Capital Outlay	<u>3,415,000</u>	<u>2,103,800</u>	<u>1,237,278</u>	<u>866,522</u>
Total Expenditures	<u>3,415,000</u>	<u>2,103,800</u>	<u>1,237,278</u>	<u>866,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(847,500)</u>	<u>(959,800)</u>	<u>(357,721)</u>	<u>602,079</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,125,600</u>	<u>1,643,500</u>	<u>1,643,500</u>	<u>-</u>
Total Other Financing Sources	<u>1,125,600</u>	<u>1,643,500</u>	<u>1,643,500</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ 278,100</u>	<u>\$ 683,700</u>	1,285,779	<u>\$ 602,079</u>
FUND BALANCE - Beginning of Year			<u>953,627</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 2,239,406</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL WATER FUND - BUDGETARY BASIS For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>OPERATING REVENUES</b>				
Water sales	\$ 9,327,600	\$ 9,327,600	\$ 10,539,676	\$ 1,212,076
Water/sewer permit fees	85,000	85,000	27,763	(57,237)
Miscellaneous	40,900	40,900	74,151	33,251
Total Operating Revenues	9,453,500	9,453,500	10,641,590	1,188,090
<b>OPERATING EXPENSES</b>				
Personnel services	2,566,142	2,549,118	2,452,707	96,411
Contractual services	1,268,709	1,241,709	1,164,799	76,910
Materials and supplies	350,775	377,775	347,914	29,861
Small tools and equipment	1,920,000	2,579,400	1,834,060	745,340
Administrative reimbursements	1,418,200	1,418,200	1,418,200	-
Total Operating Expenses	7,523,826	8,166,202	7,217,680	948,522
Operating Income	1,929,674	1,287,298	3,423,910	2,136,612
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income	82,000	82,000	51,641	(30,359)
Intergovernmental	69,000	69,000	42,595	(26,405)
Principal	(1,947,400)	(1,947,400)	(1,947,374)	(26)
Interest and fiscal charges	(1,209,200)	(1,097,329)	(1,114,565)	(17,236)
Total Nonoperating Revenues (Expenses)	(3,005,600)	(2,893,729)	(2,967,703)	(74,026)
Net Income (Loss) - Budgetary Basis	(1,075,926)	(1,606,431)	456,207	2,062,586
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital assets capitalized	-	-	1,767,046	1,767,046
Depreciation	-	-	(1,776,896)	(1,776,896)
Principal paid	-	-	1,947,374	1,947,374
Total Adjustments to GAAP Basis	-	-	1,937,524	1,937,524
Change in net position	<u>\$ (1,075,926)</u>	<u>\$ (1,606,431)</u>	2,393,731	<u>\$ 4,000,110</u>
NET POSITION - Beginning of Year			15,496,272	
NET POSITION - END OF YEAR			<u>\$ 17,890,003</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL SEWER FUND - BUDGETARY BASIS For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>OPERATING REVENUES</b>				
Sanitary sewer charges	\$ 2,365,000	\$ 2,365,000	\$ 2,434,760	\$ 69,760
Stormwater management fees	2,304,000	2,304,000	2,295,558	(8,442)
Water/sewer permit fees	35,000	35,000	12,601	(22,399)
Miscellaneous	30,000	30,000	34,496	4,496
Total Operating Revenues	<u>4,734,000</u>	<u>4,734,000</u>	<u>4,777,415</u>	<u>43,415</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,277,393	1,231,542	1,199,482	32,060
Contractual services	583,794	594,194	576,756	17,438
Materials and supplies	78,600	68,200	61,430	6,770
Small tools and equipment	2,980,000	3,593,400	2,999,854	593,546
Total Operating Expenses	<u>4,919,787</u>	<u>5,487,336</u>	<u>4,837,522</u>	<u>649,814</u>
Operating Income (Loss)	<u>(185,787)</u>	<u>(753,336)</u>	<u>(60,107)</u>	<u>693,229</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental revenue	458,000	458,000	184,682	(273,318)
Investment income	33,600	33,600	22,002	(11,598)
Principal	(390,500)	(390,500)	(390,500)	-
Interest and fiscal charges	(104,600)	(55,193)	(86,352)	(31,159)
Total Nonoperating Revenues (Expenses)	<u>(3,500)</u>	<u>45,907</u>	<u>(270,168)</u>	<u>(316,075)</u>
Net Income (Loss) - Budgetary Basis	<u>(189,287)</u>	<u>(707,429)</u>	<u>(330,275)</u>	<u>377,154</u>
<b>TRANSFERS</b>				
Transfers out	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Transfers	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital assets capitalized	-	-	2,345,222	2,345,222
Depreciation	-	-	(1,978,276)	(1,978,276)
Principal paid	<u>-</u>	<u>-</u>	<u>390,500</u>	<u>390,500</u>
Total Adjustments to GAAP Basis	<u>-</u>	<u>-</u>	<u>757,446</u>	<u>757,446</u>
Change in net position	<u>\$ (889,287)</u>	<u>\$ (707,429)</u>	427,171	<u>\$ 1,134,600</u>
NET POSITION - Beginning of Year			<u>20,297,203</u>	
<b>NET POSITION - END OF YEAR</b>			<u>\$ 20,724,374</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL MOTOR VEHICLE PARKING SYSTEM FUND - BUDGETARY BASIS For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>OPERATING REVENUES</b>				
Charges for services				
Parking lot collections	\$ 572,500	\$ 572,500	\$ 132,586	\$ (439,914)
Parking violations	213,812	213,812	108,813	(104,999)
Miscellaneous	-	-	474	474
Total Operating Revenues	<u>786,312</u>	<u>786,312</u>	<u>241,873</u>	<u>(544,439)</u>
<b>OPERATING EXPENSES</b>				
Personnel services	383,150	209,185	167,288	41,897
Contractual services	266,160	266,160	156,945	109,215
Materials and supplies	30,053	30,053	6,580	23,473
Small tools and equipment	920,000	20,000	8,603	11,397
Administrative reimbursements	<u>99,000</u>	<u>129,000</u>	<u>129,000</u>	<u>-</u>
Total Operating Expenses	<u>1,698,363</u>	<u>654,398</u>	<u>468,416</u>	<u>185,982</u>
Operating Income (Loss)	<u>(912,051)</u>	<u>131,914</u>	<u>(226,543)</u>	<u>(358,457)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>8,200</u>	<u>8,200</u>	<u>10,025</u>	<u>1,825</u>
Total Nonoperating Revenues	<u>8,200</u>	<u>8,200</u>	<u>10,025</u>	<u>1,825</u>
Net Loss Before Transfers and Adjustment to GAAP Basis	<u>(903,851)</u>	<u>140,114</u>	<u>(216,518)</u>	<u>(356,632)</u>
<b>TRANSFERS</b>				
Transfers in	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Transfers	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ADJUSTMENT TO GAAP BASIS</b>				
Depreciation	<u>-</u>	<u>-</u>	<u>(162,937)</u>	<u>(162,937)</u>
Total Adjustment to GAAP Basis	<u>-</u>	<u>-</u>	<u>(162,937)</u>	<u>(162,937)</u>
Change in net position	<u>\$ (103,851)</u>	<u>\$ 140,114</u>	<u>(379,455)</u>	<u>\$ (519,569)</u>
NET POSITION - Beginning of Year			<u>3,356,043</u>	
<b>NET POSITION - END OF YEAR</b>			<u>\$ 2,976,588</u>	

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2020

	Equipment Maintenance and Replacement	Insurance	Totals
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	\$ 3,470,869	\$ 2,466,538	\$ 5,937,407
Receivables			
Accounts	233	11,454	11,687
Other	-	665,835	665,835
Prepaid items	910,259	-	910,259
Total Current Assets	<u>4,381,361</u>	<u>3,143,827</u>	<u>7,525,188</u>
Noncurrent Assets			
Net pension asset	153,826	-	153,826
Capital assets (net of accumulated depreciation)			
Construction in progress	561,901	-	561,901
Machinery, equipment and furnishings	13,369,927	-	13,369,927
Accumulated depreciation	<u>(9,482,974)</u>	<u>-</u>	<u>(9,482,974)</u>
Total Noncurrent Assets	<u>4,602,680</u>	<u>-</u>	<u>4,602,680</u>
Total Assets	<u>8,984,041</u>	<u>3,143,827</u>	<u>12,127,868</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	190,765	-	190,765
Deferred outflows related to OPEB	<u>186,379</u>	<u>-</u>	<u>186,379</u>
Total Deferred Outflows of Resources	<u>377,144</u>	<u>-</u>	<u>377,144</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	371,359	2,850	374,209
Accrued liabilities	7,283	-	7,283
Unearned revenue	<u>1,400</u>	<u>8,981</u>	<u>10,381</u>
Total Current Liabilities	<u>380,042</u>	<u>11,831</u>	<u>391,873</u>
Noncurrent Liabilities			
Due within one year	13,906	2,824	16,730
Due in more than one year	<u>463,583</u>	<u>11,296</u>	<u>474,879</u>
Total Noncurrent Liabilities	<u>477,489</u>	<u>14,120</u>	<u>491,609</u>
Total Liabilities	<u>857,531</u>	<u>25,951</u>	<u>883,482</u>



## CITY OF HIGHLAND PARK

### COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2020

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	Equipment Maintenance and Replacement	Insurance	Totals
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	\$ 343,577	\$ -	\$ 343,577
Deferred inflows related to OPEB	<u>9,224</u>	<u>-</u>	<u>9,224</u>
Total Deferred Inflows of Resources	<u>352,801</u>	<u>-</u>	<u>352,801</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,448,854	-	4,448,854
Unrestricted	<u>3,701,999</u>	<u>3,117,876</u>	<u>6,819,875</u>
<b>TOTAL NET POSITION</b>	<u>\$ 8,150,853</u>	<u>\$ 3,117,876</u>	<u>\$ 11,268,729</u>

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2020

	Equipment Maintenance and Replacement	Insurance	Totals
<b>OPERATING REVENUES</b>			
Charges for goods and services	\$ 3,672,357	\$ 5,200,704	\$ 8,873,061
Miscellaneous	<u>99,389</u>	<u>-</u>	<u>99,389</u>
Total Operating Revenues	<u>3,771,746</u>	<u>5,200,704</u>	<u>8,972,450</u>
<b>OPERATING EXPENSES</b>			
Personnel services	1,337,838	5,036	1,342,874
Contractual services	240,899	5,261,729	5,502,628
Materials and supplies	461,382	5,278	466,660
Repairs and maintenance	424,506	-	424,506
Small tools and equipment	141,125	-	141,125
Depreciation	<u>631,421</u>	<u>-</u>	<u>631,421</u>
Total Operating Expenses	<u>3,237,171</u>	<u>5,272,043</u>	<u>8,509,214</u>
Operating Income (Loss)	<u>534,575</u>	<u>(71,339)</u>	<u>463,236</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	43,029	11,833	54,862
Gain (loss) on sale of capital assets	<u>85,170</u>	<u>-</u>	<u>85,170</u>
Total Nonoperating Revenues (Expenses)	<u>128,199</u>	<u>11,833</u>	<u>140,032</u>
<b>TRANSFERS</b>			
Transfers in	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Transfers	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>Change in net position</b>	672,774	(59,506)	613,268
NET POSITION - Beginning of Year	<u>7,478,079</u>	<u>3,177,382</u>	<u>10,655,461</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 8,150,853</u></u>	<u><u>\$ 3,117,876</u></u>	<u><u>\$ 11,268,729</u></u>

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2020

	Equipment Maintenance and Replacement	Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 3,745,736	\$ 4,932,827	\$ 8,678,563
Paid to suppliers for goods and services	(2,123,466)	(5,275,460)	(7,398,926)
Paid to employees for services	(1,295,327)	-	(1,295,327)
Net Cash Flows From Operating Activities	<u>326,943</u>	<u>(342,633)</u>	<u>(15,690)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>43,029</u>	<u>11,833</u>	<u>54,862</u>
Net Cash Flows From Investing Activities	<u>43,029</u>	<u>11,833</u>	<u>54,862</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Cash Flows From Noncapital Financing Activities	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(983,469)	-	(983,469)
Sale of capital assets	<u>146,505</u>	<u>-</u>	<u>146,505</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(836,964)</u>	<u>-</u>	<u>(836,964)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(456,992)	(330,800)	(787,792)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>3,927,861</u>	<u>2,797,338</u>	<u>6,725,199</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,470,869</u>	<u>\$ 2,466,538</u>	<u>\$ 5,937,407</u>

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2020

	Equipment Maintenance and Replacement	Insurance	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 534,575	\$ (71,339)	\$ 463,236
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	631,421	-	631,421
Changes in assets and liabilities			
Accounts receivable	346	(267,644)	(267,298)
Prepaid expense	(910,259)	-	(910,259)
Accounts payable	54,705	(8,453)	46,252
Accrued salaries	(18,844)	-	(18,844)
Net pension liability	(690,041)	-	(690,041)
Deferred outflows related to pensions	448,834	-	448,834
Deferred inflows related to pensions	265,590	-	265,590
Unearned revenue	(26,356)	(233)	(26,589)
Compensated absences	5,665	5,036	10,701
Deferred outflows related to OPEB	(132,993)	-	(132,993)
Deferred inflows related to OPEB	(1,001)	-	(1,001)
Total OPEB liability	<u>165,301</u>	<u>-</u>	<u>165,301</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 326,943</u>	<u>\$ (342,633)</u>	<u>\$ (15,690)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			

None

**CITY OF HIGHLAND PARK**

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
EQUIPMENT MAINTENANCE AND REPLACEMENT FUND - BUDGETARY BASIS  
For the Year Ended December 31, 2020**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>OPERATING REVENUES</b>				
Charges for goods and services	\$ 3,570,191	\$ 3,672,357	\$ 3,672,357	\$ -
Miscellaneous	<u>30,000</u>	<u>30,000</u>	<u>99,389</u>	<u>69,389</u>
Total Operating Revenues	<u>3,600,191</u>	<u>3,702,357</u>	<u>3,771,746</u>	<u>69,389</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,397,593	1,375,061	1,337,838	37,223
Contractual services	313,786	312,886	240,899	71,987
Materials and supplies	608,545	607,445	461,382	146,063
Repairs and maintenance	453,066	483,066	424,506	58,560
Small tools and equipment	<u>2,377,200</u>	<u>2,261,958</u>	<u>1,124,593</u>	<u>1,137,365</u>
Total Operating Expenses	<u>5,150,190</u>	<u>5,040,416</u>	<u>3,589,218</u>	<u>1,451,198</u>
Operating Income (Loss)	<u>(1,549,999)</u>	<u>(1,338,059)</u>	<u>182,528</u>	<u>1,520,587</u>
<b>NONOPERATING REVENUES</b>				
Investment income	48,200	48,200	43,029	(5,171)
Gain on sale of capital assets	<u>13,000</u>	<u>13,000</u>	<u>85,170</u>	<u>72,170</u>
Total Nonoperating Revenues	<u>61,200</u>	<u>61,200</u>	<u>128,199</u>	<u>66,999</u>
Net Income Before Transfers and Adjustments to GAAP Basis	<u>(1,488,799)</u>	<u>(1,276,859)</u>	<u>310,727</u>	<u>1,587,586</u>
<b>TRANSFERS</b>				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Transfers	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>				
Capital assets capitalized	-	-	983,468	983,468
Depreciation	<u>-</u>	<u>-</u>	<u>(631,421)</u>	<u>(631,421)</u>
Total Adjustments to GAAP Basis	<u>-</u>	<u>-</u>	<u>352,047</u>	<u>352,047</u>
Change in net position	<u>\$ (1,478,799)</u>	<u>\$ (1,266,859)</u>	<u>672,774</u>	<u>\$ 1,939,633</u>
NET POSITION - Beginning of Year			<u>7,478,079</u>	
<b>NET POSITION - END OF YEAR</b>			<u>\$ 8,150,853</u>	

# CITY OF HIGHLAND PARK

## SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL INSURANCE FUND

For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>OPERATING REVENUES</b>				
Charges for services				
Charges for goods and services	<u>\$ 5,233,458</u>	<u>\$ 5,233,458</u>	<u>\$ 5,200,704</u>	<u>\$ (32,754)</u>
Total Operating Revenues	<u>5,233,458</u>	<u>5,233,458</u>	<u>5,200,704</u>	<u>(32,754)</u>
<b>OPERATING EXPENSES</b>				
Personnel services	-	-	5,036	(5,036)
Contractual services	5,586,395	5,651,941	5,261,729	390,212
Materials and supplies	6,110	6,095	5,278	817
Repairs and maintenance	1,200	1,000	-	1,000
Small tools and equipment	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>5,598,705</u>	<u>5,659,036</u>	<u>5,272,043</u>	<u>386,993</u>
Operating Income (Loss)	<u>(365,247)</u>	<u>(425,578)</u>	<u>(71,339)</u>	<u>(419,747)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	<u>31,500</u>	<u>31,500</u>	<u>11,833</u>	<u>19,667</u>
Total Nonoperating Revenues	<u>31,500</u>	<u>31,500</u>	<u>11,833</u>	<u>19,667</u>
Change in net position	<u>(333,747)</u>	<u>(394,078)</u>	<u>(59,506)</u>	<u>(400,080)</u>
NET POSITION - Beginning of Year			<u>3,177,382</u>	
<b>NET POSITION - END OF YEAR</b>			<u><u>\$ 3,117,876</u></u>	

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS As of December 31, 2020

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,266,553	\$ 437,344	\$ 1,703,897
Investments			
U.S. Government and agency obligations	13,237,134	13,547,684	26,784,818
Corporate bonds	2,740,169	3,904,634	6,644,803
Mutual funds	31,363,696	33,121,972	64,485,668
Municipal bonds	2,589,625	2,631,139	5,220,764
Negotiable certificates of deposit	700,962	700,962	1,401,924
Receivables			
Accrued interest	109,284	107,273	216,557
Prepaid items	-	795	795
Due from primary government	<u>50,262</u>	<u>45,360</u>	<u>95,622</u>
Total Assets	<u>52,057,685</u>	<u>54,497,163</u>	<u>106,554,848</u>
<b>LIABILITIES</b>			
Accounts payable	<u>18,737</u>	<u>28,815</u>	<u>47,552</u>
Total Liabilities	<u>18,737</u>	<u>28,815</u>	<u>47,552</u>
<b>NET POSITION</b>			
Restricted for pension benefits	<u>\$ 52,038,948</u>	<u>\$ 54,468,348</u>	<u>\$ 106,507,296</u>

# CITY OF HIGHLAND PARK

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended December 31, 2020

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 4,144,814	\$ 3,704,421	\$ 7,849,235
Plan members	706,354	527,343	1,233,697
Total Contributions	<u>4,851,168</u>	<u>4,231,764</u>	<u>9,082,932</u>
Investment income			
Investment income	1,176,162	1,231,857	2,408,019
Net appreciation in fair value of investments	<u>5,245,351</u>	<u>5,576,672</u>	<u>10,822,023</u>
Total Investment Income	6,421,513	6,808,529	13,230,042
Less Investment expenses	<u>58,632</u>	<u>62,150</u>	<u>120,782</u>
Net Investment Income	<u>6,362,881</u>	<u>6,746,379</u>	<u>13,109,260</u>
Total Additions	<u>11,214,049</u>	<u>10,978,143</u>	<u>22,192,192</u>
<b>DEDUCTIONS</b>			
Benefits	4,932,570	4,850,777	9,783,347
Administration	<u>40,978</u>	<u>44,183</u>	<u>85,161</u>
Total Deductions	<u>4,973,548</u>	<u>4,894,960</u>	<u>9,868,508</u>
<b>Change in Net Position</b>	6,240,501	6,083,183	12,323,684
NET POSITION - Beginning of Year	<u>45,798,447</u>	<u>48,385,165</u>	<u>94,183,612</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 52,038,948</u>	<u>\$ 54,468,348</u>	<u>\$ 106,507,296</u>





**CITY OF HIGHLAND PARK, ILLINOIS**  
***Statistical Section***  
***(Unaudited)***

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over	137 - 143
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	144 - 149
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Government's current levels of outstanding debt and the City's ability to issue additional debt in the future.	150 - 153
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.	154 - 155
<b>Operating Information</b> These schedules contain information about the City's service and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	156 - 158



## FINANCIAL TRENDS

**CITY OF HIGHLAND PARK**

**STATEMENT OF NET POSITION BY COMPONENT**

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GOVERNMENTAL ACTIVITIES</b>										
Net investment in capital assets	\$ 71,825,055	\$ 73,059,813	\$ 74,393,563	\$ 74,583,376	\$ 85,027,909	\$ 85,567,313	\$ 84,778,317	\$ 78,196,858	\$ 75,455,357	\$ 74,318,370
Restricted	1,676,953	1,778,085	1,930,549	2,402,234	2,265,529	2,654,529	2,708,093	2,183,954	2,770,149	4,989,032
Unrestricted	26,354,712	30,962,266	31,302,403	34,469,095	(46,072,103)	(48,998,593)	(49,918,848)	(54,090,833)	(45,806,027)	(38,676,727)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<b>\$ 99,856,720</b>	<b>\$ 105,800,164</b>	<b>\$ 107,626,515</b>	<b>\$ 111,454,705</b>	<b>\$ 41,221,335</b>	<b>\$ 39,223,249</b>	<b>\$ 37,567,562</b>	<b>\$ 26,289,979</b>	<b>\$ 32,419,479</b>	<b>\$ 40,630,675</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net investment in capital assets	\$ 54,109,919	\$ 48,582,193	\$ 60,756,229	\$ 59,065,125	\$ 43,217,124	\$ 40,152,956	\$ 39,597,032	\$ 36,017,027	\$ 36,008,982	\$ 37,384,128
Unrestricted	5,066,721	10,286,671	(2,483,918)	(2,094,006)	2,493,194	3,363,433	2,151,329	2,096,156	3,140,536	4,206,837
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<b>\$ 59,176,640</b>	<b>\$ 58,868,864</b>	<b>\$ 58,272,311</b>	<b>\$ 56,971,119</b>	<b>\$ 45,710,318</b>	<b>\$ 43,516,389</b>	<b>\$ 41,748,361</b>	<b>\$ 38,113,183</b>	<b>\$ 39,149,518</b>	<b>\$ 41,590,965</b>
<b>PRIMARY GOVERNMENT</b>										
Net investment in capital assets	\$ 125,934,974	\$ 121,642,006	\$ 135,149,792	\$ 133,648,501	\$ 128,245,033	\$ 125,720,269	\$ 124,375,349	\$ 114,213,885	\$ 111,464,339	\$ 111,702,498
Restricted	1,676,953	1,778,085	1,930,549	2,402,234	2,265,529	2,654,529	2,708,093	2,183,954	2,770,149	4,989,032
Unrestricted	31,421,433	41,248,937	28,818,485	32,375,089	(43,578,909)	(45,635,160)	(47,767,519)	(51,994,677)	(42,665,491)	(34,469,890)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 159,033,360</b>	<b>\$ 164,669,028</b>	<b>\$ 165,898,826</b>	<b>\$ 168,425,824</b>	<b>\$ 86,931,653</b>	<b>\$ 82,739,638</b>	<b>\$ 79,315,923</b>	<b>\$ 64,403,162</b>	<b>\$ 71,568,997</b>	<b>\$ 82,221,640</b>

Notes:

- (1) An enterprise fund was created in CY 2011 to account for activities relating to sewer facilities and maintenance, creating a substantial change in fund balance totals between Governmental and Business Type activities.
- (2) Beginning in 2015, the City implemented GASB 68 which resulted in the inclusion of a net pension liability.
- (3) Beginning in 2018, the City implemented GASB 75 which resulted in the inclusion of a total OPEB liability.
- (4) Beginning in 2019, the City implemented GASB 84 which resulted in the inclusion of the Affordable Housing and General Deposit Funds previously reported as agency funds.

**CITY OF HIGHLAND PARK**

**FUND BALANCES OF GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GENERAL FUND</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,753	\$ 4,276	\$ 7,062	\$ 6,658
Unrestricted										
Committed	17,582,800	22,809,678	18,234,000	18,150,000	-	-	-	-	-	-
Assigned	4,375,495	4,775,495	5,175,495	5,575,495	6,120,495	6,831,695	8,189,329	8,832,844	9,876,238	10,312,585
Unassigned	15,762,287	14,111,753	19,032,489	19,744,246	20,322,846	18,054,780	17,556,651	20,471,736	25,865,861	28,433,165
Subtotal general fund	37,720,582	41,696,926	42,441,984	43,469,741	26,443,341	24,886,475	25,750,733	29,308,856	35,749,161	38,752,408
% Change from prior year	9.8%	10.5%	1.8%	2.4%	-39.2%	-5.9%	3.5%	13.8%	22.0%	8.4%
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Nonspendable	349,985	106,738	6,408	6,408	6,408	6,408	-	359	-	359
Restricted	1,676,953	1,778,085	1,930,549	2,402,234	2,265,529	3,343,630	2,708,093	4,939,210	3,723,776	5,773,666
Unrestricted										
Committed	570,002	1,115,109	1,191,451	1,221,503	1,079,505	906,922	1,281,682	2,031,886	2,468,121	1,991,917
Assigned	2,852,016	2,822,330	2,973,522	3,186,138	2,731,073	3,719,803	2,277,942	971,368	999,356	1,304,570
Unassigned										
Special Revenue Funds (deficit)	(53,493)	(65,787)	(53,194)	(52,514)	(61,165)	(61,207)	-	-	-	-
Subtotal all other funds	5,395,463	5,756,475	6,048,736	6,763,769	6,021,350	7,915,556	6,267,717	7,942,823	7,191,253	9,070,512
<b>TOTAL GOVERNMENTAL FUNDS</b>	<b>\$43,116,045</b>	<b>\$47,453,401</b>	<b>\$48,490,720</b>	<b>\$50,233,510</b>	<b>\$32,464,691</b>	<b>\$32,802,031</b>	<b>\$32,018,450</b>	<b>\$37,251,679</b>	<b>\$42,940,414</b>	<b>\$47,822,920</b>
% Change from prior year	7.3%	10.1%	2.2%	3.6%	-35.4%	1.0%	-2.4%	16.3%	15.3%	11.4%

**CITY OF HIGHLAND PARK**

**CHANGE IN NET POSITION**  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GOVERNMENTAL ACTIVITIES</b>										
Program Revenues										
Charges for services										
General government	\$ 1,558,688	\$ 3,560,882	\$ 2,682,498	\$ 2,771,791	\$ 2,665,330	\$ 2,348,267	\$ 2,172,696	\$ 2,372,699	\$ 2,766,614	\$ 2,595,913
Public safety	2,714,368	2,775,737	3,082,011	2,869,862	2,737,190	2,789,821	3,252,583	3,483,336	3,801,221	2,586,179
Public works	1,009,252	1,031,414	1,081,656	1,248,525	1,182,321	1,220,394	1,317,634	1,417,119	1,511,471	237,806
Economic/physical development	1,868,519	1,394,696	1,236,569	1,516,752	1,935,153	1,707,560	1,306,682	1,948,457	1,573,980	1,049,684
Transit	1,223,684	1,312,028	1,367,708	1,416,630	1,312,436	1,342,009	1,421,764	1,436,742	1,532,544	1,090,786
Operating grants	1,007,110	900,045	1,012,404	1,123,140	762,804	795,560	870,061	776,384	1,006,633	1,761,212
Capital grants	565,452	-	-	-	245,365	84,464	232,948	306,139	67,783	951,179
General Revenues										
Property taxes	11,478,560	11,480,575	11,723,266	12,300,826	12,319,262	12,412,788	12,574,374	13,056,531	14,155,087	14,992,697
Sales taxes	11,785,806	12,393,678	12,904,569	13,674,254	13,173,534	13,230,707	13,111,115	13,991,902	13,576,047	12,324,127
Other taxes	8,576,032	9,055,860	9,706,318	9,970,403	10,004,019	11,915,256	11,915,732	11,659,901	12,086,075	12,308,181
Coronavirus Relief Fund	-	-	-	-	-	-	-	-	-	1,365,211
Payment in lieu of taxes <sup>1</sup>	546,459	559,173	804,573	796,308	762,038	822,131	846,221	704,250	1,462,484	837,500
Other	3,107,990	5,286,685	1,461,767	2,434,222	(686,784)	269,876	363,329	896,614	3,890,504	1,569,450
Total revenues	45,441,920	49,750,773	47,063,339	50,122,713	46,412,668	48,938,833	49,385,139	52,050,074	57,430,443	53,669,925
Expenses										
General government	5,362,741	8,965,963	8,449,022	7,543,013	7,648,490	7,136,341	7,523,811	6,756,414	7,737,099	6,492,574
Public safety	20,181,540	20,175,202	21,797,867	22,784,673	27,060,284	27,094,758	26,147,707	28,676,247	27,435,033	24,913,624
Public works	8,377,575	6,361,328	6,297,452	7,147,559	7,377,966	7,491,480	7,531,938	7,258,400	6,882,251	6,907,639
Economic/physical development	3,612,168	5,106,635	5,689,964	6,249,818	7,249,956	7,155,683	7,921,665	8,188,294	8,072,546	5,983,759
Transit	1,379,050	1,292,090	1,359,599	1,288,343	1,230,364	1,265,741	1,289,937	1,357,141	1,379,367	954,492
Commissions	331,347	407,388	327,835	394,871	467,014	448,794	412,175	157,299	73,711	90,573
Interest	1,409,557	1,252,423	1,070,849	886,246	287,932	276,122	213,593	404,873	281,688	345,473
Total expenses	40,653,978	43,561,029	44,992,588	46,294,523	51,322,006	50,868,919	51,040,826	52,798,668	51,861,695	45,688,134
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	\$ 4,787,942	\$ 6,189,744	\$ 2,070,751	\$ 3,828,190	\$ (4,909,338)	\$ (1,930,086)	\$ (1,655,687)	\$ (748,594)	\$ 5,568,748	\$ 7,981,791
Transfers	(25,677,141)	(246,300)	(244,400)	-	8,523,384	(68,000)	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	<u>\$ (20,889,199)</u>	<u>\$ 5,943,444</u>	<u>\$ 1,826,351</u>	<u>\$ 3,828,190</u>	<u>\$ 3,614,046</u>	<u>\$ (1,998,086)</u>	<u>\$ (1,655,687)</u>	<u>\$ (748,594)</u>	<u>\$ 5,568,748</u>	<u>\$ 7,981,791</u>

Notes:

(1) Payment in lieu is Payment in lieu of taxes and affordable units.

**CITY OF HIGHLAND PARK**

CHANGE IN NET POSITION (Continued)  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>BUSINESS-TYPE ACTIVITIES</b>										
Program Revenues										
Charges for services										
Parking system	\$ 805,363	\$ 804,608	\$ 751,331	\$ 782,300	\$ 816,753	\$ 795,851	\$ 725,178	\$ 798,021	\$ 824,906	\$ 241,873
Water	7,033,638	7,756,992	7,595,773	7,193,756	7,286,222	8,038,625	7,944,693	8,017,280	8,806,707	10,641,590
Sewer	2,477,341	2,984,243	3,225,609	3,517,779	4,066,211	4,639,293	4,580,105	4,705,795	4,583,554	4,777,415
Country Club	2,536,071	2,755,685	2,415,774	2,220,787	5,381	-	-	-	-	-
Operating grants	137,100	156,940	70,533	118,280	70,270	78,919	84,794	99,323	306,891	227,277
Capital grants	167,331	-	121,000	-	-	-	-	-	-	-
Other	41,652	14,649	19,717	17,520	9,112	57,742	114,265	111,356	204,643	83,668
Total revenues	13,198,496	14,473,117	14,199,737	13,850,422	12,253,949	13,610,430	13,449,035	13,731,775	14,726,701	15,971,823
Expenses										
Parking	1,156,266	1,006,413	922,176	988,547	1,031,108	935,125	940,746	930,884	861,071	631,353
Water	6,407,020	6,645,213	6,977,513	7,101,394	10,128,640	10,868,120	9,443,272	10,907,442	8,229,552	8,342,095
Sewer	4,518,395	4,385,887	4,182,723	4,224,626	4,872,731	4,069,114	4,833,045	5,232,836	4,599,743	4,556,928
Country Club	2,777,646	2,989,680	2,958,278	2,837,047	10,047	-	-	-	-	-
Total expenses	14,859,327	15,027,193	15,040,690	15,151,614	16,042,526	15,872,359	15,217,063	17,071,162	13,690,366	13,530,376
INCR./(DECR.) IN NET POSITION BEFORE TRANSFERS	(1,660,831)	(554,076)	(840,953)	(1,301,192)	(3,788,577)	(2,261,929)	(1,768,028)	(3,339,387)	1,036,335	2,441,447
Transfers	25,677,141	246,300	244,400	-	(8,523,384)	68,000	-	-	-	-
INCR./(DECR.) IN NET POSITION	\$ 24,016,310	\$ (307,776)	\$ (596,553)	\$ (1,301,192)	\$ (12,311,961)	\$ (2,193,929)	\$ (1,768,028)	\$ (3,339,387)	\$ 1,036,335	\$ 2,441,447

**CITY OF HIGHLAND PARK**

CHANGE IN NET POSITION (Continued)  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>TOTAL NET POSITION</b>										
Program Revenues										
Charges for services	\$ 21,226,924	\$ 24,376,285	\$ 23,438,929	\$ 23,538,182	\$ 22,006,997	\$ 22,881,820	\$ 22,721,335	\$ 24,179,449	\$ 25,400,997	\$ 23,221,246
Operating grants	1,144,210	1,056,985	1,082,937	1,241,420	833,074	874,479	954,855	875,707	1,313,524	1,988,489
Capital grants	732,783	-	121,000	-	245,365	84,464	232,948	306,139	67,783	951,179
General Revenues										
Property taxes	11,478,560	11,480,575	11,723,266	12,300,826	12,319,262	12,412,788	12,574,374	13,056,531	14,155,087	14,992,697
Sales taxes	11,785,806	12,393,678	12,904,569	13,674,254	13,173,534	13,230,707	13,111,115	13,991,902	13,576,047	12,324,127
Other taxes	8,576,032	9,055,860	9,706,318	9,970,403	10,004,019	11,915,256	11,915,732	11,659,901	12,086,075	12,308,181
Coronavirus Relief Fund	-	-	-	-	-	-	-	-	-	1,365,211
Payment in lieu of taxes	546,459	559,173	804,573	796,308	762,038	822,131	846,221	704,250	1,462,484	837,500
Other	3,149,642	5,301,334	1,481,484	2,451,742	(677,672)	327,618	477,594	1,007,970	4,095,147	1,653,118
<b>Total revenues</b>	<b>58,640,416</b>	<b>64,223,890</b>	<b>61,263,076</b>	<b>63,973,135</b>	<b>58,666,617</b>	<b>62,549,263</b>	<b>62,834,174</b>	<b>65,781,849</b>	<b>72,157,144</b>	<b>69,641,748</b>
Expenses										
General government	5,362,741	8,965,963	8,449,022	7,543,013	7,648,490	7,136,341	7,523,811	6,756,414	7,737,099	6,492,574
Public safety	20,181,540	20,175,202	21,797,867	22,784,673	27,060,284	27,094,758	26,147,707	28,676,247	27,435,033	24,913,624
Public works	8,377,575	6,361,328	6,297,452	7,147,559	7,377,966	7,491,480	7,531,938	7,258,400	6,882,251	6,907,639
Economic/physical development	3,612,168	5,106,635	5,689,964	6,249,818	7,249,956	7,155,683	7,921,665	8,188,294	8,072,546	5,983,759
Transit	1,379,050	1,292,090	1,359,599	1,288,343	1,230,364	1,265,741	1,289,937	1,357,141	1,379,367	954,492
Commissions	331,347	407,388	327,835	394,871	467,014	448,794	412,175	157,299	73,711	90,573
Interest	1,409,557	1,252,423	1,070,849	886,246	287,932	276,122	213,593	404,873	281,688	345,473
Parking	1,156,266	1,006,413	922,176	988,547	1,031,108	935,125	940,746	930,884	861,071	631,353
Water	6,407,020	6,645,213	6,977,513	7,101,394	10,128,640	10,868,120	9,443,272	10,907,442	8,229,552	8,342,095
Sewer	4,518,395	4,385,887	4,182,723	4,224,626	4,872,731	4,069,114	4,833,045	5,232,836	4,599,743	4,556,928
Country Club	2,777,646	2,989,680	2,958,278	2,837,047	10,047	-	-	-	-	-
<b>Total expenses</b>	<b>55,513,305</b>	<b>58,588,222</b>	<b>60,033,278</b>	<b>61,446,137</b>	<b>67,364,532</b>	<b>66,741,278</b>	<b>66,257,889</b>	<b>69,869,830</b>	<b>65,552,061</b>	<b>59,218,510</b>
<b>INCR./(DECR.) IN NET POSITION</b>	<b>\$ 3,127,111</b>	<b>\$ 5,635,668</b>	<b>\$ 1,229,798</b>	<b>\$ 2,526,998</b>	<b>\$ (8,697,915)</b>	<b>\$ (4,192,015)</b>	<b>\$ (3,423,715)</b>	<b>\$ (4,087,981)</b>	<b>\$ 6,605,083</b>	<b>\$ 10,423,238</b>
<b>NET REVENUE/(EXPENSE)</b>										
Governmental Activities	(20,889,199)	6,189,744	2,070,751	3,828,190	(4,909,338)	(1,930,086)	(1,655,687)	(748,594)	5,568,748	7,981,791
Business Type Activities	24,016,310	(554,076)	(840,953)	(1,301,192)	(3,788,577)	(2,261,929)	(1,768,028)	(3,339,387)	1,036,335	2,441,447
<b>TOTAL NET REVENUE/(EXPENSE)</b>	<b>3,127,111</b>	<b>5,635,668</b>	<b>1,229,798</b>	<b>2,526,998</b>	<b>(8,697,915)</b>	<b>(4,192,015)</b>	<b>(3,423,715)</b>	<b>(4,087,981)</b>	<b>6,605,083</b>	<b>10,423,238</b>

**CITY OF HIGHLAND PARK**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>REVENUES</b>										
Property taxes	\$ 11,478,560	\$ 11,480,575	\$ 11,723,266	\$ 12,300,826	\$ 12,319,262	\$ 12,412,788	\$ 12,574,374	\$ 13,056,531	\$ 14,155,087	\$ 14,992,697
Personal property replacement taxes	276,627	277,134	307,228	316,285	337,267	298,849	315,598	286,914	356,704	318,803
Licenses and permits	2,224,164	2,337,334	2,301,094	2,774,721	3,170,971	2,877,456	2,755,250	3,264,842	2,963,904	1,429,358
Public charges for services	2,810,348	1,206,575	2,400,261	2,383,476	2,408,953	2,944,657	3,342,231	3,662,416	4,064,724	2,898,618
Municipal sales tax	11,785,806	12,393,678	12,904,569	13,674,254	13,173,534	13,230,707	13,111,115	13,991,902	13,576,047	12,324,127
Utility tax	2,422,569	2,254,875	2,448,175	2,863,573	2,603,391	2,365,250	2,410,931	2,330,522	2,423,838	2,242,932
Real estate transfer tax	1,136,595	1,458,037	1,778,247	1,786,963	1,695,540	1,843,768	2,003,188	1,692,383	1,665,318	2,291,611
Intergovernmental	245,769	143,993	263,124	236,260	154,025	159,333	245,195	155,971	178,438	207,113
State income tax	2,354,555	2,615,197	2,835,830	2,849,624	3,166,878	2,897,250	2,733,707	2,850,286	3,167,946	3,234,314
Franchise tax	2,385,686	2,450,617	2,336,838	2,153,958	2,200,943	2,158,947	2,019,029	1,922,755	1,731,838	1,430,149
Payment in lieu <sup>1</sup>	546,459	559,173	804,573	796,308	762,038	822,131	846,221	704,250	1,462,484	418,750
Other taxes	1,833,144	1,835,512	2,210,845	2,221,094	2,266,204	2,229,634	2,298,992	2,435,650	2,592,224	2,607,523
RTA <sup>2</sup> reimbursement	1,222,434	1,312,028	1,367,708	1,416,630	1,317,436	1,342,009	1,421,764	1,436,742	1,532,544	1,090,786
Reimbursements-other agencies	952,477	1,724,366	299,243	171,621	406,514	317,187	467,581	577,780	711,464	2,329,159
Fines, forfeitures, and penalties	874,396	965,723	1,188,128	1,078,662	867,656	514,271	423,287	562,122	559,376	146,786
Motor fuel tax	883,360	857,238	859,650	1,000,150	727,628	757,785	759,153	761,804	976,402	1,736,948
Interest income	715,602	757,419	714,584	735,415	72,025	244,636	322,252	707,738	915,732	499,588
Net change in fair value of investments	964,461	2,591,200	(1,575,000)	(636,166)	(3,150,000)	-	-	70,145	328,193	-
Miscellaneous	826,413	529,170	509,537	587,444	681,039	691,671	658,805	544,461	500,044	524,475
<b>Total revenues</b>	<b>45,939,425</b>	<b>47,749,844</b>	<b>45,677,900</b>	<b>48,711,098</b>	<b>45,181,304</b>	<b>48,108,329</b>	<b>48,708,673</b>	<b>51,015,214</b>	<b>53,862,307</b>	<b>50,723,737</b>
<b>EXPENDITURES</b>										
<b>Current</b>										
General government	5,084,358	6,997,163	6,869,099	6,309,182	7,192,989	8,975,291	6,684,877	7,253,903	7,326,231	5,867,216
Public safety	19,733,861	19,409,913	20,661,440	23,094,151	23,195,210	24,467,111	25,679,506	27,213,467	26,827,790	26,567,770
Public works	4,973,124	4,918,865	5,131,940	5,566,327	6,148,424	5,994,720	5,737,953	5,615,754	5,746,861	5,179,840
Transit	1,403,907	1,303,013	1,360,622	1,301,161	1,251,772	1,258,440	1,294,057	1,354,645	1,370,188	953,199
Commissions	94,225	158,314	143,580	145,798	217,940	186,720	163,101	157,299	73,711	90,573
Economic and physical development	3,610,662	3,485,321	3,299,488	3,662,506	4,037,270	3,941,297	3,766,052	4,007,848	5,416,201	4,865,954
Capital outlay	2,778,501	2,104,881	2,460,469	2,765,778	3,100,533	4,607,980	4,951,600	6,942,117	4,472,927	1,237,278
Debt service										
Principal	3,355,970	3,576,497	3,401,848	3,147,657	17,319,486	2,717,150	2,793,950	478,510	913,160	908,311
Interest and fiscal charges	1,452,715	1,265,413	1,088,749	979,411	325,655	302,340	240,967	448,082	326,712	390,495
<b>Total expenditures</b>	<b>42,487,323</b>	<b>43,219,380</b>	<b>44,417,235</b>	<b>46,971,971</b>	<b>62,789,279</b>	<b>52,451,049</b>	<b>51,312,063</b>	<b>53,471,625</b>	<b>52,473,781</b>	<b>46,060,636</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 3,452,102</b>	<b>\$ 4,530,464</b>	<b>\$ 1,260,665</b>	<b>\$ 1,739,127</b>	<b>\$ (17,607,975)</b>	<b>\$ (4,342,720)</b>	<b>\$ (2,603,390)</b>	<b>\$ (2,456,411)</b>	<b>\$ 1,388,526</b>	<b>\$ 4,663,101</b>

**Notes:**

(1) Payment in lieu is Payment in lieu of taxes and affordable units.

(2) RTA is Regional Transportation Authority.



**CITY OF HIGHLAND PARK**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (Continued)**  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>OTHER FINANCING SOURCES (USES)</b>										
General obligation debt issued	\$ 3,705,000	\$ 3,410,000	\$ -	\$ -	\$ 646,800	\$ 4,650,000	\$ 705,162	\$ 7,900,000	\$ -	\$ -
Premium on debt Issued	115,335	256,780	-	-	27,004	80,375	12,600	292,111	-	-
Payments to escrow agent	(3,785,543)	(3,628,143)	-	-	-	-	-	-	-	-
Transfers in	1,910,040	1,866,880	2,143,240	2,514,360	16,540,175	1,200,000	1,240,705	3,006,435	1,920,248	2,669,627
Transfers (out)	(2,593,917)	(2,113,180)	(2,387,640)	(2,514,360)	(17,381,823)	(1,268,000)	(1,240,705)	(4,043,411)	(1,920,248)	(2,679,627)
Sale of capital assets	135,194	14,555	21,054	3,663	7,000	17,655	1,102,047	534,505	3,739,457	-
<b>Total other financing sources (uses)</b>	<b>(513,891)</b>	<b>(193,108)</b>	<b>(223,346)</b>	<b>3,663</b>	<b>(160,844)</b>	<b>4,680,030</b>	<b>1,819,809</b>	<b>7,689,640</b>	<b>3,739,457</b>	<b>(10,000)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>2,938,211</b>	<b>4,337,356</b>	<b>1,037,319</b>	<b>1,742,790</b>	<b>(17,768,819)</b>	<b>337,310</b>	<b>(783,581)</b>	<b>5,233,229</b>	<b>5,127,983</b>	<b>4,653,101</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>40,177,834</b>	<b>43,116,045</b>	<b>47,453,401</b>	<b>48,490,720</b>	<b>50,233,510</b>	<b>32,464,691</b>	<b>32,802,031</b>	<b>32,018,480</b>	<b>37,251,679</b>	<b>43,169,819</b>
Prior period adjustment	-	-	-	-	-	-	-	-	560,752	-
<b>FUND BALANCES, BEGINNING OF YEAR, RESTATED</b>	<b>40,177,834</b>	<b>43,116,045</b>	<b>47,453,401</b>	<b>48,490,720</b>	<b>50,233,510</b>	<b>32,464,691</b>	<b>32,802,031</b>	<b>32,018,480</b>	<b>37,812,431</b>	<b>43,169,819</b>
Residual equity transfer in	-	-	-	-	-	-	-	-	-	-
Residual equity transfer (out)	-	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 43,116,045</b>	<b>\$ 47,453,401</b>	<b>\$ 48,490,720</b>	<b>\$ 50,233,510</b>	<b>\$ 32,464,691</b>	<b>\$ 32,802,001</b>	<b>\$ 32,018,450</b>	<b>\$ 37,251,709</b>	<b>\$ 42,940,414</b>	<b>\$ 47,822,920</b>
<b>DEBT SERVICE AS A % OF NONCAPITAL EXPENDITURES<sup>1</sup></b>	<b>11.4%</b>	<b>11.8%</b>	<b>10.6%</b>	<b>9.2%</b>	<b>29.1%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>1.9%</b>	<b>2.6%</b>	<b>3.0%</b>

Notes:

(1) Calculated based on capitalized expenditures reflected in Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities schedule.



REVENUE CAPACITY

**CITY OF HIGHLAND PARK**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

(Cents per hundred dollars)

Levy Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Railroad Property	Less Tax Exempt Property	Total Taxable Assessed Value	Tax Rate	Estimated Actual Value	Annual % Change	Ratio of Total Assessed Valuation to Estimated Actual Value of Real Property
2011	2,115,645,944	205,558,934	476,191	499	1,417,358	n/a	2,323,098,926	0.643	6,969,296,778	-9.0%	33%
2012	1,967,614,286	193,428,436	464,616	549	1,796,021	n/a	2,163,303,908	0.709	6,489,911,724	-6.9%	33%
2013	1,874,011,718	186,978,939	447,194	603	2,171,296	n/a	2,063,609,750	0.785	6,190,829,250	-4.6%	33%
2014	1,863,622,335	187,084,550	444,603	665	2,255,482	n/a	2,053,407,635	0.795	6,160,222,905	-0.5%	33%
2015	1,972,901,914	202,847,928	439,359	772	2,667,731	n/a	2,178,857,704	0.749	6,536,573,112	6.1%	33%
2016	2,098,472,765	212,302,541	472,885	1,257	2,710,878	n/a	2,313,960,326	0.737	6,941,880,978	6.2%	33%
2017	2,181,515,147	223,651,158	481,655	1,497	2,761,689	n/a	2,408,411,146	0.726	7,225,233,438	4.1%	33%
2018	2,178,026,581	222,911,973	482,480	1,745	2,952,465	n/a	2,404,375,244	0.772	7,213,125,732	-0.2%	33%
2019	2,093,191,544	254,156,305	489,659	972,370	3,204,766	n/a	2,352,014,644	0.809	7,056,043,932	-2.2%	33%
2020	2,055,603,901	239,253,308	488,055	958,367	3,332,597	n/a	2,299,636,228	0.875	6,898,908,684	-2.2%	33%

Notes:

(1) Source: Lake County

**CITY OF HIGHLAND PARK**

**PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Levy Years  
(Cents per hundred dollars)

<b>Tax Levy Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b><u>CITY DIRECT RATE</u></b>										
Bond	0.156	0.170	0.183	0.145	0.136	0.129	0.033	0.052	0.052	0.053
Corporate	0.121	0.141	0.099	0.119	0.084	0.085	0.152	0.150	0.147	0.213
Firefighters Pension	0.064	0.077	0.116	0.116	0.113	0.121	0.128	0.129	0.125	0.128
Library	0.175	0.192	0.218	0.226	0.213	0.209	0.203	0.206	0.219	0.224
Police Pension	0.064	0.078	0.115	0.115	0.128	0.128	0.132	0.132	0.141	0.145
Street and Bridge	0.063	0.051	0.054	0.074	0.075	0.065	0.077	0.103	0.124	0.113
<b>Total Direct Rate</b>	<b>0.643</b>	<b>0.709</b>	<b>0.785</b>	<b>0.795</b>	<b>0.749</b>	<b>0.737</b>	<b>0.726</b>	<b>0.772</b>	<b>0.809</b>	<b>0.875</b>
<b><u>OVERLAPPING RATES</u></b>										
County	0.554	0.608	0.663	0.682	0.663	0.632	0.622	0.612	0.597	0.598
Forest Preserve	0.201	0.212	0.218	0.210	0.208	0.193	0.187	0.182	0.180	0.182
Township	0.059	0.066	0.070	0.066	0.063	0.056	0.054	0.054	0.056	0.055
Sanitary	0.150	0.150	0.164	0.169	0.166	0.157	0.153	0.153	0.153	0.157
College of Lake County	0.240	0.272	0.296	0.306	0.299	0.285	0.281	0.282	0.282	0.290
High School	2.167	2.178	2.364	2.421	2.309	2.187	2.164	2.222	2.280	2.391
Elementary School	2.818	2.957	3.076	3.152	3.006	2.862	2.826	2.914	3.039	3.184
Mosquito Abatement	0.014	0.015	0.007	0.013	0.012	0.012	0.011	0.011	0.012	0.012
Park District	0.410	0.445	0.497	0.508	0.520	0.529	0.521	0.535	0.560	0.572
<b>Total Overlapping Rate</b>	<b>6.613</b>	<b>6.903</b>	<b>7.355</b>	<b>7.527</b>	<b>7.246</b>	<b>6.913</b>	<b>6.818</b>	<b>6.966</b>	<b>7.157</b>	<b>7.442</b>
<b>Total Rate</b>	<b>7.256</b>	<b>7.612</b>	<b>8.140</b>	<b>8.322</b>	<b>7.995</b>	<b>7.650</b>	<b>7.544</b>	<b>7.738</b>	<b>7.966</b>	<b>8.317</b>

Notes:

(1) Source: Lake County

**CITY OF HIGHLAND PARK**

**PRINCIPAL TAXPAYERS**  
Current Year and Nine Years Prior

December 31, 2020				December 31, 2011			
Taxpayer <sup>1</sup>	Business/Service	Equalized Assessed Valuation <sup>2</sup>	as a % of Total EAV	Taxpayer <sup>1</sup>	Business/Service	Equalized Assessed Valuation	as a % of Total EAV
T Renaissance IL LLC	Business/Retail Center	\$ 8,849,115	0.38%	Renaissance Place	Business/Retail Center	\$ 14,196,290	0.61%
Red Cup Land Company LLC	Real Property	7,682,916	0.33%	Federal Realty Investment Trust	Business/Retail Center	8,180,142	0.35%
Federal Realty Investment Trust	Business/Retail Center	7,600,486	0.33%	Midwest Family Housing LLC	Real Property	8,125,291	0.35%
Americana Apartments	Real Property	6,687,284	0.29%	Klaimont Family Associates	Business/Retail Center	5,108,370	0.22%
McGovern Flats LLC	Real Property	5,596,235	0.24%	Solo Cup Company	Real Property	4,796,812	0.21%
Highland Park Associates II LLC	Real Property	4,533,786	0.20%	Highland Park Associates II LLC	Real Property	4,629,890	0.20%
HPC Properties LLC	Real Property	4,252,803	0.18%	Americana Apartments	Real Property	4,307,637	0.19%
C2 Land, LP	Real Property	3,663,200	0.16%	Sunset Food Mart, Inc.	Retail Store	4,129,975	0.18%
HCRI Illinois Properties LLC	Real Property	3,390,085	0.15%	Northern Trust Lake Forest	Real Property	3,868,991	0.17%
Daton Hudson Corporation	Business/Retail Center	3,301,783	0.14%	LB&M Real Estate Management Inc.	Real Property	3,202,367	0.14%
		<u>\$ 55,557,693</u>	<u>2.42%</u>			<u>\$ 60,545,765</u>	<u>2.61%</u>
	2020 Total EAV	\$ 2,299,636,228			2011 Total EAV	\$ 2,323,098,926	
	Percentage of Total		2.42%		Percentage of Total		2.61%

Notes:

(1) 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 2020 EAV is the most current available for all taxpayers.

(2) Source: Lake County Clerk

# CITY OF HIGHLAND PARK

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax Levy Year	Tax Levy as Abated <sup>1</sup>	Current Taxes Collected		Percent of Levy Collected	Delinquent Taxes Collected in Current Year <sup>2</sup>	Total Collections	Percent of Total Collections to Tax Levy
		Fiscal Year Collected	Amount				
2010	\$ 14,953,404	2011	\$ 14,217,063	95.08%	-	\$ 14,217,063	95.08%
2011	14,937,526	2012	14,871,344	99.56%	-	14,871,344	99.56%
2012	15,337,825	2013	15,235,177	99.33%	-	15,235,177	99.33%
2013	16,199,337	2014	16,085,461	99.30%	-	16,085,461	99.30%
2014	16,316,623	2015	16,254,541	99.62%	-	16,254,126	99.62%
2015	16,316,594	2016	16,294,280	99.86%	-	16,294,280	99.86%
2016	17,061,848	2017	16,898,118	99.04%	-	16,898,118	99.04%
2017	17,482,295	2018	17,374,483	99.38%	-	17,374,483	99.38%
2018	18,556,415	2019	18,449,447	99.42%	-	18,449,447	99.42%
2019	19,028,104	2020	18,853,219	99.08%	-	18,853,219	99.08%

### Notes:

(1) Tax levy as abated represents total assessments extended by the City tax rate and excludes levies on the special service areas and the tax increment financing area.

(2) Lake County does not furnish information relating to delinquent taxes collected for the applicable levy year. Amounts shown in this column are collections in the year indicated of delinquent taxes applicable to prior years' tax levies.

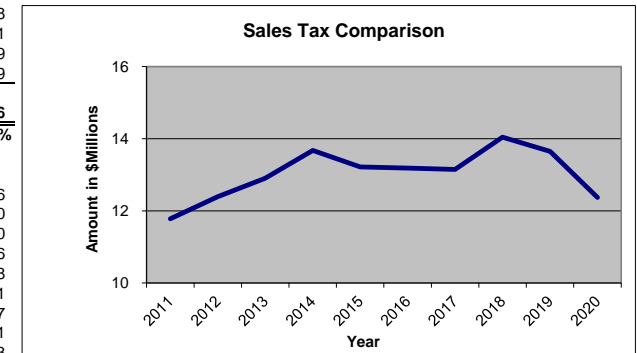
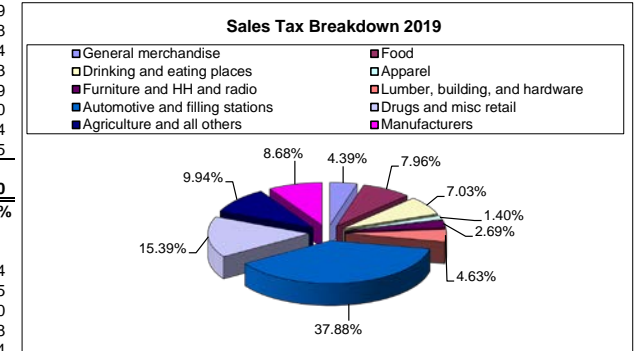
**CITY OF HIGHLAND PARK**

**SALES TAX ANALYSIS BY SIC CODE**  
Last Ten Calendar Years

<b>Municipal Sales Tax</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General merchandise	476,610	487,633	468,255	450,805	424,722	376,713	360,540	349,402	327,815	302,842
Food	844,137	825,884	833,519	892,527	848,504	793,021	793,953	749,836	744,541	798,115
Drinking and eating places	530,179	567,295	568,131	580,827	588,112	589,970	610,370	604,583	634,746	438,679
Apparel	409,753	386,460	270,411	266,663	260,993	231,345	197,947	196,188	162,282	86,798
Furniture and HH and radio	183,420	178,688	200,024	194,996	187,393	194,400	187,107	196,551	172,100	166,564
Lumber, building, and hardware	287,753	265,696	288,983	307,275	324,682	321,871	288,996	266,003	254,990	286,283
Automotive and filling stations	3,146,580	3,524,876	3,944,283	4,256,268	4,051,315	3,925,825	4,050,446	4,359,345	4,498,233	4,008,239
Drugs and misc retail	1,107,907	1,196,527	1,247,724	1,310,854	1,109,919	1,278,384	1,206,582	1,149,203	1,185,317	1,224,630
Agriculture and all others	602,865	583,516	629,981	700,733	842,241	725,046	714,869	768,559	770,403	685,964
Manufacturers	85,390	101,612	115,723	309,187	403,709	684,361	677,172	1,262,615	842,949	894,515
<b>TOTAL</b>	<b>7,674,594</b>	<b>8,118,187</b>	<b>8,567,033</b>	<b>9,270,135</b>	<b>9,041,588</b>	<b>9,112,937</b>	<b>9,087,983</b>	<b>9,902,285</b>	<b>9,593,375</b>	<b>8,892,630</b>
% Inc./Dec. from prev. year	2.58%	5.78%	5.53%	8.21%	-2.47%	0.79%	-0.27%	8.96%	-3.12%	-7.30%
<b>Home Rule Sales Tax</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General merchandise	378,808	386,288	366,787	339,988	321,670	298,828	294,033	281,712	261,670	239,904
Food	208,931	202,292	238,547	259,062	261,177	221,744	212,651	203,551	196,656	186,945
Drinking and eating places	521,369	557,106	558,559	570,766	578,180	580,581	601,154	597,607	626,500	430,410
Apparel	406,167	380,597	264,977	260,367	254,457	226,511	197,899	195,841	162,284	86,798
Furniture and HH and radio	183,251	178,506	199,652	194,496	186,823	193,796	186,657	196,096	171,674	166,294
Lumber, building, and hardware	287,713	265,638	288,923	307,228	324,651	321,370	288,811	266,002	254,988	286,218
Automotive and filling stations	803,846	949,692	979,596	944,921	783,633	716,884	797,223	885,035	865,015	676,098
Drugs and misc retail	757,971	791,280	818,131	844,357	680,829	811,952	738,672	724,671	740,785	679,381
Agriculture and all others	471,318	461,354	505,781	550,876	663,022	555,023	562,801	599,406	591,187	543,649
Manufacturers	85,176	101,320	115,437	130,667	118,371	146,910	180,087	189,811	182,662	179,439
<b>TOTAL</b>	<b>4,104,550</b>	<b>4,274,073</b>	<b>4,336,391</b>	<b>4,402,727</b>	<b>4,172,814</b>	<b>4,073,599</b>	<b>4,059,986</b>	<b>4,139,733</b>	<b>4,053,420</b>	<b>3,475,136</b>
% Inc./Dec. from prev. year	2.90%	4.13%	1.46%	1.53%	-5.22%	-2.38%	-0.33%	1.96%	-2.08%	-14.27%
<b>Total Sales Tax</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General merchandise	855,418	873,921	835,042	790,793	746,392	675,541	654,574	631,114	589,485	542,746
Food	1,053,067	1,028,177	1,072,066	1,151,589	1,109,681	1,006,765	1,006,604	953,388	941,197	985,060
Drinking and eating places	1,051,548	1,124,401	1,126,690	1,151,593	1,166,292	1,170,550	1,211,523	1,202,190	1,261,246	869,090
Apparel	815,920	767,056	535,388	527,030	515,449	457,857	395,846	392,029	324,566	173,596
Furniture and HH and radio	366,672	357,194	399,676	389,492	374,216	388,196	373,764	392,647	343,773	332,858
Lumber, building, and hardware	575,467	531,334	577,906	614,503	649,333	643,242	577,808	532,005	509,978	572,501
Automotive and filling stations	3,950,426	4,474,568	4,923,879	5,201,189	4,834,947	4,642,709	4,847,669	5,244,380	5,363,248	4,684,337
Drugs and misc retail	1,865,878	1,987,808	2,065,855	2,155,211	1,790,749	2,090,336	1,945,254	1,873,874	1,926,102	1,904,011
Agriculture and all others	1,074,183	1,044,870	1,135,762	1,251,609	1,505,263	1,280,069	1,277,670	1,367,965	1,361,590	1,229,613
Manufacturers	170,566	202,932	231,160	439,854	522,080	831,271	857,258	1,452,427	1,025,611	1,073,954
<b>TOTAL</b>	<b>11,779,144</b>	<b>12,392,261</b>	<b>12,903,424</b>	<b>13,672,863</b>	<b>13,214,402</b>	<b>13,186,536</b>	<b>13,147,969</b>	<b>14,042,018</b>	<b>13,646,795</b>	<b>12,367,766</b>
% Inc./Dec. from prev. year	2.69%	5.21%	4.12%	5.96%	-3.35%	-0.21%	-0.29%	6.80%	-2.81%	-9.37%

Notes:

(1) Source: Illinois Department of Revenue



# CITY OF HIGHLAND PARK

## SALES TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Fiscal Years (Rates shown in %)

Fiscal Year	Direct			Overlapping			Total Tax
	City Home Rule	City	Total Direct	State of Illinois	Lake County	Regional Transit Authority	
2011	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2012	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2013	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2014	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2015	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2016	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2017	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2018	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2019	1.00	1.00	2.00	5.00	0.25	0.75	8.00
2020	1.00	1.00	2.00	5.00	0.25	0.75	8.00

### Notes:

(1) Source: City Records





DEBT CAPACITY

# CITY OF HIGHLAND PARK

## RATIO OF GENERAL BONDED DEBT TO EQUALIZED ASSESSED VALUATION AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA Last Ten Fiscal Years

Fiscal Year	Estimated Population <sup>1</sup>	Equalized Assessed Valuation <sup>2</sup>	General Bonded Debt <sup>3</sup>	Ratio of General Bonded Debt to Equalized Assessed Valuation	General Bonded Debt Per Capita
2011	29,763	2,323,098,926	49,815,488	0.0214	1,674
2012	29,763	2,163,303,908	45,323,991	0.0210	1,523
2013	29,763	2,063,609,750	50,647,143	0.0245	1,702
2014	29,763	2,053,407,635	56,604,486	0.0276	1,902
2015	29,871	2,178,857,704	45,651,055	0.0210	1,528
2016	29,743	2,313,960,326	53,192,609	0.0230	1,788
2017	29,641	2,408,411,146	53,944,751	0.0224	1,820
2018	29,767	2,404,375,244	59,722,344	0.0248	2,006
2019	29,622	2,352,014,644	56,652,343	0.0241	1,913
2020	29,628	2,299,636,228	53,282,479	0.0232	1,798

### Notes:

(1) Source: U.S. Census Bureau

(2) Source: Lake County Clerk

(3) Source: City records

**CITY OF HIGHLAND PARK**

**OUTSTANDING DEBT BY TYPE AND RATIO OF TOTAL DEBT  
Last Ten Fiscal Years**

<hr/>									
<hr/>									
General Obligation Bonds <sup>1,2</sup>									
<hr/>									
Fiscal Year	Governmental Activities	Business-Type Activities	Total Debt	Total Personal Income	Debt as a % of Total Personal Income	EAV	Debt to EAV Ratio	Estimated Population	Per Capita
<hr/>									
2011	\$ 30,920,488	\$ 18,895,000	\$ 49,815,488	\$ 1,824,084,981	2.73%	\$ 2,323,098,926	0.0214	29,763	\$ 1,674
2012	27,228,991	18,095,000	45,323,991	2,024,003,052	2.24%	2,163,303,908	0.0210	29,763	1,523
2013	23,827,143	26,820,000	50,647,143	2,002,067,721	2.53%	2,063,609,750	0.0245	29,763	1,702
2014	20,679,486	35,925,000	56,604,486	1,951,113,465	2.90%	2,053,407,635	0.0276	29,763	1,902
2015	4,006,800	41,644,255	45,651,055	2,051,779,248	2.22%	2,178,857,704	0.0210	29,871	1,528
2016	6,180,972	47,011,637 <sup>3</sup>	53,192,609	2,172,904,608	2.45%	2,313,960,326	0.0230	29,743	1,788
2017	4,066,049	49,878,702 <sup>3</sup>	53,944,751	2,297,503,551	2.35%	2,408,411,146	0.0224	29,641	1,820
2018	11,724,357	47,997,987 <sup>3</sup>	59,722,344	2,430,505,317	2.46%	2,404,375,244	0.0248	29,767	2,006
2019	10,754,782	45,897,560 <sup>3</sup>	56,652,343	2,576,047,608	2.20%	2,352,014,644	0.0241	29,622	1,913
2020	9,790,058	43,492,421 <sup>3</sup>	53,282,479	2,679,615,576	1.99%	2,299,636,228	0.0232	29,628	1,798

Notes:

(1) Includes unamortized bond premium/discount and unamortized loss on refunding.

(2) Note payable

(3) Includes IEPA loan

(4) Details of the City's debt can be found in the notes to the financial statements.

# CITY OF HIGHLAND PARK

## SCHEDULE OF DIRECT AND OVERLAPPING DEBT

December 31, 2020

Governmental Unit	General Bonded Debt	% of Debt Applicable to the City of Highland Park <sup>1</sup>	City of Highland Park Share of Debt
City of Highland Park	\$ 9,790,058	100.0%	\$ 9,790,058
Lake County	147,785,000	8.5%	12,487,833
Lake County Forest Preserve District	206,810,000	8.5%	17,475,445
North Shore Sanitary District	-	0.0%	-
Deerfield Park District	565,000	0.0%	23
Park District of Highland Park	12,340,000	98.5%	12,157,368
School Districts			
District No. 106	-	0.0%	-
District No. 109	19,450,000	4.0%	783,835
District No. 112	49,225,000	94.6%	46,566,850
District No. 113	77,975,000	53.9%	42,020,728
College of Lake County	47,300,000	8.9%	4,195,510
	561,450,000		135,687,591
	<u>\$ 571,240,058</u>		<u>\$ 145,477,649</u>

### Notes:

(1) Determined by ratio of assessed valuation of property subject to taxation in the City to valuation of property subject to taxation in overlapping unit.

(2) Source: Lake County Clerk

**CITY OF HIGHLAND PARK**

**SCHEDULE OF LEGAL DEBT MARGIN**

December 31, 2020

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Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.



## DEMOGRAPHIC AND ECONOMIC INFORMATION

## CITY OF HIGHLAND PARK

### DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

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Fiscal Year	Population <sup>1</sup>	Per Capita Income <sup>1</sup>	School Enrollment <sup>2</sup>	Unemployment Rate <sup>3</sup>	Total Personal Income <sup>4</sup>	Median Age <sup>1</sup>	College Degree <sup>1</sup>
2011	29,763	61,287	5,850	6.0%	1,824,084,981	40.6	61.6%
2012	29,763	68,004	6,526	5.7%	2,024,003,052	45.4	66.9%
2013	29,763	67,267	6,351	6.3%	2,002,067,721	45.4	68.2%
2014	29,763	65,555	6,236	5.0%	1,951,113,465	45.2	67.6%
2015	29,871	68,688	6,475	5.1%	2,051,779,248	45.4	69.5%
2016	29,743	73,056	6,133	3.9%	2,172,904,608	45.8	71.1%
2017	29,641	77,511	6,101	3.2%	2,297,503,551	45.0	71.0%
2018	29,767	81,651	5,948	3.5%	2,430,505,317	45.0	71.9%
2019	29,622	86,964	5,389	3.0%	2,576,047,608	46.0	74.4%
2020	29,628	90,442	5,292	3.0%	2,679,615,576	47.1	73.8%

Notes:

(1) Source: U.S. Census Bureau

(2) Source: Illinois State Board of Education

(3) Source: Illinois Department of Employment Security

(4) Source: Population times Per Capita Income

**CITY OF HIGHLAND PARK**

PRINCIPAL EMPLOYERS  
Current Year and Nine Years Prior

2020			2011		
Employer	Approximate Employees	Percentage of Total Municipal Employment	Employer	Approximate Employees	Percentage of Total Municipal Employment
Highland Park Hospital	1,200	8.25%	Highland Park Hospital	1,200	7.15%
Township High School District 113	650 <sup>1</sup>	0.57%	North Shore School District 112	740	4.41%
North Shore School District 112	530	3.64%	Ravinia Festival	690 <sup>1</sup>	4.11%
North Suburban Special Education District	420	2.89%	Northern Suburban Special Education District	506	3.01%
City of Highland Park	239	1.64%	Township High School District 113	398 <sup>1</sup>	2.37%
Ravinia Festival	185 <sup>1</sup>	1.27%	City of Highland Park	278 <sup>1</sup>	1.66%
First Bank of Highland Park	128	0.88%	Highland Park Public Library	97 <sup>1</sup>	0.60%
Aspiritech, NFP	120 <sup>1</sup>	0.83%	Highland Park Post Office	85 <sup>1</sup>	0.58%
Dick Blick Holdings	100	0.69%	Mesirow Financial	70	0.51%
Highland Park Post Office	85 <sup>1</sup>	0.58%			
	<u>3,657</u>	<u>21.25%</u>		<u>4,064</u>	<u>24.40%</u>

Notes:

(1) Includes full-time and part-time employees

(2) Source: 2020/2011 IL Manufacturers Directory, 2020/2011 IL Services Directory and City records





## OPERATING INFORMATION

# CITY OF HIGHLAND PARK

## OPERATING INFORMATION AND INDICATORS Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>FIRE PROTECTION</b>										
Emergency responses	4,777	4,832	4,657	5,220	4,859	5,146	5,450	5,556	5,669	5,104
Fires extinguished	47	46	43	28	31	18	29	42	46	45
<b>PUBLIC WORKS</b>										
Asphalt placed (square yards)	3,033	2,035	2,154	3,120	3,644	3,450	3,000	2,800	3,086	2,045
Crack sealing (street miles)	3	3	3	5	4	4	6	6	-	-
Street-sweeping (hours) <sup>2</sup>	39	79	57	93	312	36	92	28	136	8
Number of mainbreaks repaired	92	101	104	106	44	49	50	57	52	63
<b>POLICE PROTECTION</b>										
Parking violations	6,192	8,730	8,060	6,673	6,502	6,082	5,536	4,487	5,261	2,302
Number of arrests	227	1,648	1,696	1,611	1,424	1,200	1,073	757	816	684
Number of traffic citations	3,980	4,725	4,626	3,439	2,837	2,317	1,650	1,889	1,718	1,651
<b>FINANCE</b>										
Number of water bills	42,244	42,248	42,324	42,320	42,424	42,380	42,413	42,371	42,232	42,173
Number of vendor checks	6,000	5,741	5,578	5,873	5,724	5,895	5,413	5,368	5,253	4,876
<b>MUNICIPAL WATER SYSTEM</b>										
Number of customers	10,434	10,436	10,445	10,443	10,422	10,422	10,469	10,441	10,434	10,430
Average daily consumption (million gallons)	9.6	9.0	8.6	7.9	7.7	8.6	7.5	8.1	9.0	9.0
Plant capacity (rated) - per day (million gallons)	21	21	21	21	30	30	30	30	30	30
Miles of water mains (approximate)	168	168	168	168	172	171	171	171	171	171
Number of fire hydrants (approximate)	1,680	1,680	1,680	1,680	1,700	1,773	1,773	1,773	1,773	1,773

**Notes:**

(1) Beginning in 2010, street sweeping provided by contractor.

(2) Source: U.S. Census Bureau and City Records

**CITY OF HIGHLAND PARK**

CAPITAL ASSET STATISTICS  
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
AREA - SQUARE MILES	12	12	12	12	12	12	12	12	12	12
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire engines	3	3	3	3	3	3	3	3	3	3
Aerial Ladder Truck	-	-	-	-	-	-	1	1	1	1
Squad/Engine	-	-	-	-	-	1	1	1	1	1
Ambulances	3	3	3	3	3	4	4	4	4	4
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	14	14	14	14	14	14	14	14
PUBLIC WORKS										
Miles of water mains (approximate)	168	168	168	168	172	171	171	171	171	171
Number of fire hydrants (approximate)	1,680	1,680	1,680	1,680	1,700	1,773	1,773	1,773	1,773	1,773
Miles of storm sewer (approximate)	178	178	178	178	178	182	182	185	185	185
Number of street lights (approximate)	1,420	1,420	1,420	1,420	1,473	1,473	1,473	1,473	1,473	1,473
Miles of sanitary sewer (approximate)	130	130	130	130	130	131	131	131	131	131
MILES OF STREET										
Paved	154	154	154	154	154	154	154	156	156	156
Graded	2	2	2	2	2	2	2	2	2	5
TOTAL	156	156	156	156	156	156	156	158	158	161

Notes:

(1) Source: U.S. Census Bureau and City Records

# CITY OF HIGHLAND PARK

## FULL-TIME EQUIVALENT EMPLOYEES Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT	23.3	20.1	20.4	20.4	20.7	20.7	20.8	20.8	19.7	20.7
COMMUNITY DEVELOPMENT	20.8	20.8	21.1	22.1	22.6	24.6	27.3	27.3	27.3	27.3
FINANCE	13.3	13.3	13.3	13.3	13.3	13.0	13.3	13.3	13.3	13.3
FIRE										
Firefighters and officers	49.0	48.0	48.0	48.0	48.0	48.0	48.0	50.0	50.0	50.0
Civilians	5.0	5.5	6.5	6.7	6.7	6.7	4.0	2.0	2.0	2.0
POLICE										
Sworn personnel	55.0	55.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0
Civilians	25.7	26.7	27.2	27.2	20.2	20.2	20.8	20.8	20.8	20.8
PUBLIC WORKS										
Maintenance workers	60.0	58.5	58.8	57.5	58.9	57.9	57.1	57.6	57.6	57.6
Engineering	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Administration	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Total Employees	280.1	275.9	280.2	280.2	275.3	276.1	277.3	277.8	276.7	277.8

### Notes:

(1) City Records