City of Highland Park
Lead Service Line Replacement Project
Public Water Supply Loan Program

PROJECT PLAN

Submitted September 2022

REL Project Number: 22-R0904.01

Robinson ENGINEERING

Municipal Expertise. Community Commitment.

Highland Park Project Plan

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City of Highland Park Project Plan

1.0 Background Information

1.1 Location

The City of Highland Park is located approximately 25 miles north of downtown Chicago in Lake County. The City is bound by Lake Forest to the north, Lake Michigan to the east, Bannockburn and Deerfield to the west, and Glencoe. The City corporate boundaries encompass an area of approximately 12.27 square miles.

1.2 Population

The population of Highland Park, as measured in the 2020 census, was 30,176 people. The corresponding population density was determined to be approximately 2,459 people per square mile. The population was 8.9% Hispanic or Latino, 89.6% White, 0.8% Black or African American, 2.9% Asian, and 3.7% from two or more races. Classified by age, 24.8% were under the age of 18, 50.6% were 18 to 64, and 24.6% were 65 years of age or older. The median age was 47.2 years.

1.3 Current Service Area

The current service area within the City of Highland Park measures approximately 12.27 square miles and consists of 10,067 billed customers. The City provides water to 9,608 residential customers and 450 commercial customers and 9 industrial customers within its corporate limits.

1.4 Future Service Area

The City of Highland Park corporate boundaries have been generally settled for many years. Due to established corporate boundaries of neighboring municipalities, the prospect of further geographic expansion is severely limited.

The City's population in 2020 was 30,176 and the CMAP projected population for Highland Park in the year 2040 is 35,880.

2.0 Water Usage

2.1 Current Water Usage

Typically, average daily flow is 8.836 gallons per day. The peak daily flow is 17.488 gallons per day.

2.2 Projected 20-Year Water Usage

Chicago Metropolitan Agency for Planning (CMAP) has projected Highland Park's population for 2040 to be 35,880 which is a 18.90% increase from 2020. Therefore, the projected 2040 average daily use is projected to be 10.5 million gallons and peak daily use is projected to be 20.79 million gallons per day.

3.0 Existing Water Facilities

3.1 Existing Public Water Supply

The City of Highland Park water system has a Lake Michigan intake and water treatment facility. The water treatment facility includes filtration and chlorination treatment systems and has been upgraded in 2020. The City owns and operates three booster stations.

3.2 Existing Storage Facilities

The City of Highland Park owns and operates one 500,000 gallon elevated storage tank and three ground storage tanks. These ground storage tanks are referred to as the North Side reservoir (which has 3.0 M capacity), West Side reservoir (2.5 M capacity), and Central Park reservoir (1.0 M capacity). Additionally, the village has 2 water plant clearwells, each with 1 million gallons of capacity.

3.3 Existing Water Distribution System

The City of Highland Park owns and operates approximately 169 miles of water main and appurtenances, from 24" and 16" transmission mains to 12", 8", 6" and 4" water mains. The water system adequately handles the current demands of the residential and commercial properties.

3.4 Identification of Water Supply Violations

Information supplied below is from the Illinois Environmental Protection Agency, Bureau of Water, and Drinking Water Watch. The City does not anticipate any future violations.

Group Violations

Total Number of Records Fetched = 0

Violation No.	Status	Violation Type	Violation Name	Analyte Code	Analyte Name	Water System Facility State Asgn ID	Water System Facility Name
2005-7042505	V	43	SINGLE COMB FLTR EFFLUENT (IESWTR/LT1)	0300	IESWTR	null	null
1995-3716095	V	65	PUBLIC EDUCATION (LCR)	5000	LEAD & COPPER RULE	null	null
1993-1813593	V	03	MONITORING, ROUTINE MAJOR	0100	TURBIDITY	null	null
1986-122986	V	03	MONITORING, ROUTINE MINOR	3000	COLIFORM (PRE-TCR)	null	null
1980-7042380	V	03	MONITORING, ROUTINE MINOR	4000	GROSS ALPHA, EXCL. RADON & U	null	null

Individual Violations

Total Number of Records Fetched = 5

4.0 Selected Alternative

4.1 Description of Selected Alternative

This multi-year project consists of the replacement of approximately 2,000 lead service lines with new copper service lines from the water main to the residence.

4.2 Correction of System Deficiencies

The corrosion of lead service lines may result in lead entering the water system and over time pose a health risk to the consumer. The proposed removal and replacement of lead service lines will reduce current health risk for numerous residents.

4.3 Regulatory Compliance

The proposed lead service line replacements will achieve compliance with the IEPA's requirements and will be designed and operated in accordance with 35 Ill. Administrative Code 611 Subpart G: Lead and Copper, Parts 651-654, and AWWA C810-17 – Replacement and Flushing of Lead Service Lines. Site work will comply with the City of Highland Park municipal code requirements and NPDES Phase II storm water standards. Construction activities shall comply with the IEPA's General Permit for Construction Sites (ILR10).

Additionally, this project will comply with the City of Highland Park municipal code requirements and will follow all local, County, and State regulations.

4.4 Basis of Design

The primary goal for the project is to remove existing lead service lines.

The replacement of approximately 2,000 existing lead water services with new copper service lines from the existing main to the internal connection inside each residence will reduce current health risk. These full replacements will eliminate the possibility of lead being introduced into the resident's drinking water through the individual water service connections.

4.5 Environmental Inventory

All proposed improvements are contained within the existing distribution system and there are no environmental impacts associated with the proposed improvements. No special measures are required during the installation to mitigate or minimize any negative environmental impacts. The appropriate documentation has been submitted to IHPA, USACE, and IDNR for their concurrence in accordance with the IEPA Environmental Checklist.

4.6 Cost Estimate

Below is an Engineer's opinion of probable costs for the proposed improvements.

Overall Construction Cost Summary

Item	Cost Estimate
Lead Service Line Replacement	$15,870,000
Contingency (10%)	$1,587,000
Total Construction	$17,462,000

Overall Project Cost Summary

Item	Cost Estimate
Construction Cost	$17,457,000
Design Engineering	$821,000
Construction Engineering	$1,587,000
Total Construction, Engineering and Contingency	$19,865,000
Total Construction, Engineering and Contingency Rounded Up	$20,000,000

Overall Loan Summary

Item	Cost Estimate
Principal Loan Amount	$20,000,000
Lead Service Line Replacement Principal Forgiveness	$10,000,000
Adjusted Loan Amount	$10,000,000
Total Interest Paid for 20 Years at a Projected Rate of 1.80%	$1,996,545
Yearly Payment of Adjusted Loan Amount over 20 Years at 1.80%	$599,827
Total Payments with Adjusted Loan Amount and Interest	$11, 996,545

First Year Construction Cost Summary

Item	Cost Estimate
Lead Service Line Replacement	$3,150,000
Contingency (10%)	$315,000
Total Construction	$3,465,000

First Year Project Cost Summary

Item	Cost Estimate
Construction Costs	$3,465,000
Design Engineering	$185,000
Construction Engineering	$315,000
Total Construction, Engineering and Contingency	$3,965,000
Total Construction, Engineering and Contingency Rounded Up	$4,000,000

First Year Loan Summary

Item	Cost Estimate
Principal Loan Amount	$4,000,000
Lead Service Line Replacement Principal Forgiveness	$2,000,000
Adjusted Loan Amount	$2,000,000
Total Interest Paid for 20 Years at a Projected Rate of 1.80%	$399,309
Yearly Payment of Adjusted Loan Amount over 20 Years at 1.80%	$119,965
Total Payments with Adjusted Loan Amount and Interest	$2,399,309

Second Year Construction Cost Summary

Item	Cost Estimate
Lead Service Line Replacement	$3,180,000
Contingency (10%)	$318,000
Total Construction	$3,498,000

Second Year Project Cost Summary

Item	Cost Estimate
Construction Costs	$3,498,000
Design Engineering	$159,000
Construction Engineering	$318,000
Total Construction, Engineering and Contingency	$3,975,000
Total Construction, Engineering and Contingency Rounded Up	$4,000,000

Second Year Loan Summary

Item	Cost Estimate
Principal Loan Amount	$4,000,000
Lead Service Line Replacement Principal Forgiveness	$2,000,000
Adjusted Loan Amount	$2,000,000
Total Interest Paid for 20 Years at a Projected Rate of 1.80%	$399,309
Yearly Payment of Adjusted Loan Amount over 20 Years at 1.80%	$119,965
Total Payments with Adjusted Loan Amount and Interest	$2,399,309

Third Year Construction Cost Summary

Item	Cost Estimate
Lead Service Line Replacement	$3,180,000
Contingency (10%)	$318,000
Total Construction	$3,498,000

Third Year Project Cost Summary

Item	Cost Estimate
Construction Costs	$3,498,000
Design Engineering	$159,000
Construction Engineering	$318,000
Total Construction, Engineering and Contingency	$3,975,000
Total Construction, Engineering and Contingency Rounded Up	$4,000,000

Third Year Loan Summary

Item	Cost Estimate
Principal Loan Amount	$4,000,000
Lead Service Line Replacement Principal Forgiveness	$2,000,000
Adjusted Loan Amount	$2,000,000
Total Interest Paid for 20 Years at a Projected Rate of 1.80%	$399,309
Yearly Payment of Adjusted Loan Amount over 20 Years at 1.80%	$119,965
Total Payments with Adjusted Loan Amount and Interest	$2,399,309

Fourth Year Construction Cost Summary

Item	Cost Estimate
Lead Service Line Replacement	$3,180,000
Contingency (10%)	$318,000
Total Construction	$3,498,000

Fourth Year Project Cost Summary

Item	Cost Estimate
Construction Costs	$3,498,000
Design Engineering	$159,000
Construction Engineering	$318,000
Total Construction, Engineering and Contingency	$3,975,000
Total Construction, Engineering and Contingency Rounded Up	$4,000,000

Fourth Year Loan Summary

Item	Cost Estimate
Principal Loan Amount	$4,000,000
Lead Service Line Replacement Principal Forgiveness	$2,000,000
Adjusted Loan Amount	$2,000,000
Total Interest Paid for 20 Years at a Projected Rate of 1.80%	$399,309
Yearly Payment of Adjusted Loan Amount over 20 Years at 1.80%	$119,965
Total Payments with Adjusted Loan Amount and Interest	$2,399,309

Fifth Year Construction Cost Summary

Item	Cost Estimate
Lead Service Line Replacement	$3,180,000
Contingency (10%)	$318,000
Total Construction	$3,498,000

Fifth Year Project Cost Summary

Item	Cost Estimate
Construction Costs	$3,498,000
Design Engineering	$159,000
Construction Engineering	$318,000
Total Construction, Engineering and Contingency	$3,975,000
Total Construction, Engineering and Contingency Rounded Up	$4,000,000

Fifth Year Loan Summary

Item	Cost Estimate
Principal Loan Amount	$4,000,000
Lead Service Line Replacement Principal Forgiveness	$2,000,000
Adjusted Loan Amount	$2,000,000
Total Interest Paid for 20 Years at a Projected Rate of 1.80%	$399,309
Yearly Payment of Adjusted Loan Amount over 20 Years at 1.80%	$119,965
Total Payments with Adjusted Loan Amount and Interest	$2,399,309

5.0 Implementation Plan

5.1 Financial Schedule

The City intends to utilize the IEPA's State Revolving Fund loan program as the entire funding source for this project. Highland Park qualifies for a total principal forgiveness of $20,000,000 for the lead service line replacement work under the current Intended Use Plan. However, based on recent correspondence with the IEPA Infrastructure Financial Assistance Section, it is assumed that the City will qualify for a total principal forgiveness of $10,000,000 for the lead service line replacement work under the future Intended Use Plan.

The City of Highland Park would be able to repay the full loan amount if principal forgiveness is not available. At a projected rate of 1.80%, the annual loan payment of a $4,000,000 loan is $239,931. The cumulative annal loan payment for five years of replacements at the rate of 1.80% is $1,199,655. Since the net operating income of the system exceeds the annual loan payments for five years of replacements, the City does not foresee the need to raise

rates in order to repay its loans.

5.2 Residential Rate Structure

The City of Highland Park's water and sewer general fund is based on the amount of water each resident uses per quarter and is measured by individual water meters.

The City of Highland Park's residential water user rate ordinance is per Chapter 50, Article 1, Section 50 from their Code of Ordinances. The sewer and water rate sheet can be found on the City's website. The three-month billing rate for residential water usage is $32.93 per 1,000 cubic feet for 6,000 cubic feet or less, $36.23 per 1,000 cubic feet from 6,001 to 8,000 cubic feet, and $37.88 per 1,000 cubic feet for 8,001 or more cubic feet. The three-month billing rate for residential sewer usage charges is $13.00 per 1,000 cubic feet in addition to a constant $6.00 fee per quarter. The three-month billing rate for commercial water usage is $36.23 per 1,000 cubic feet. The three-month billing rate for commercial sewer usage charges is $13.00 per 1,000 cubic feet in addition to a constant $9.00 fee per quarter.

5.3 Project Schedule

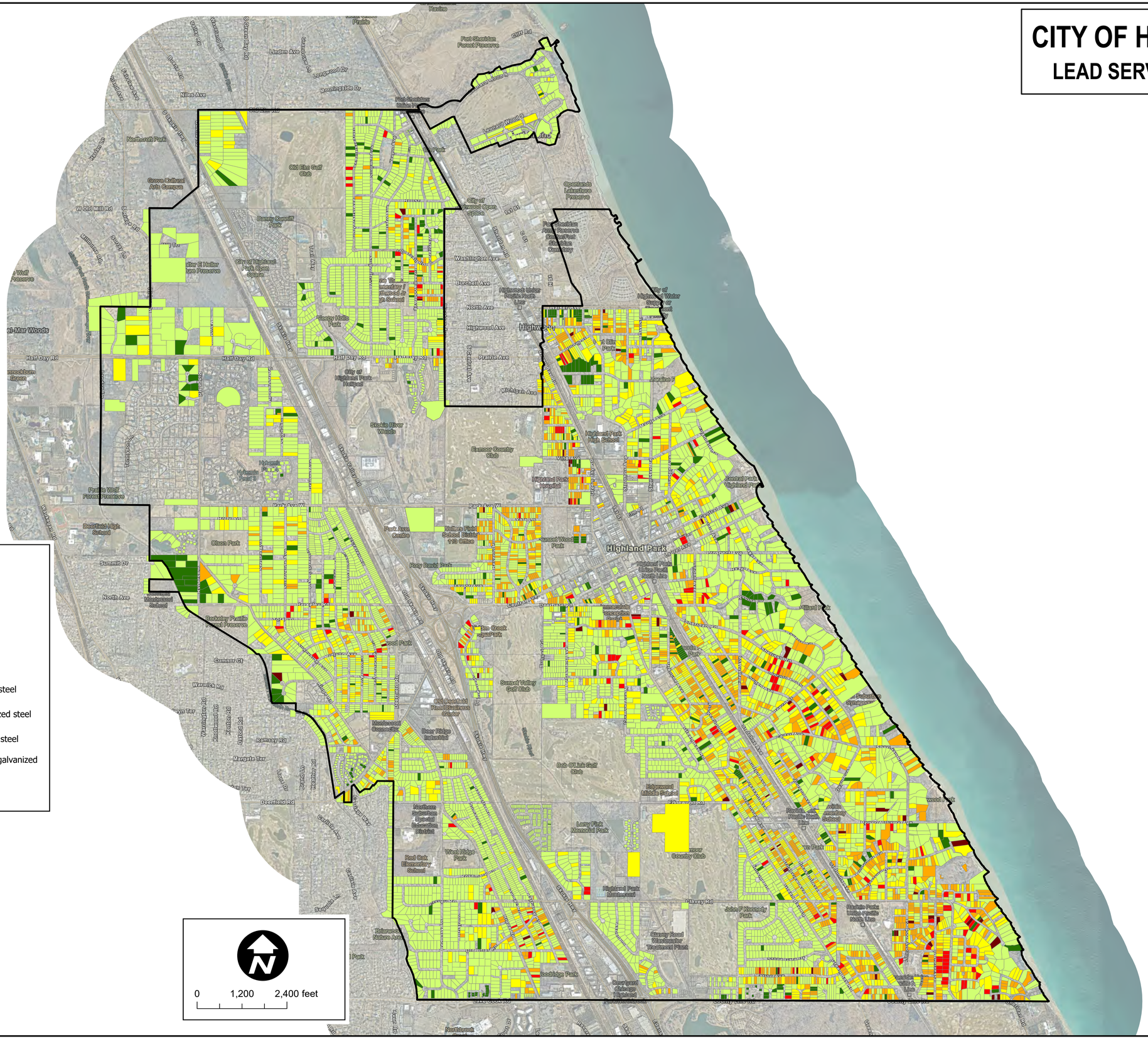
The proposed project schedule is envisioned to take place as follows:

TASK	DATE
Project Plan Submittal	September 2022
IEPA Loan Application Submittal	March 2023
Plans/Specifications Submittal	March 2023
IEPA Construction Permit	N/A
Advertise for Bids	June 2023
Bid Opening / Contract Award	August 2023
Start Construction	November 2023
Completion of Construction	November 2024

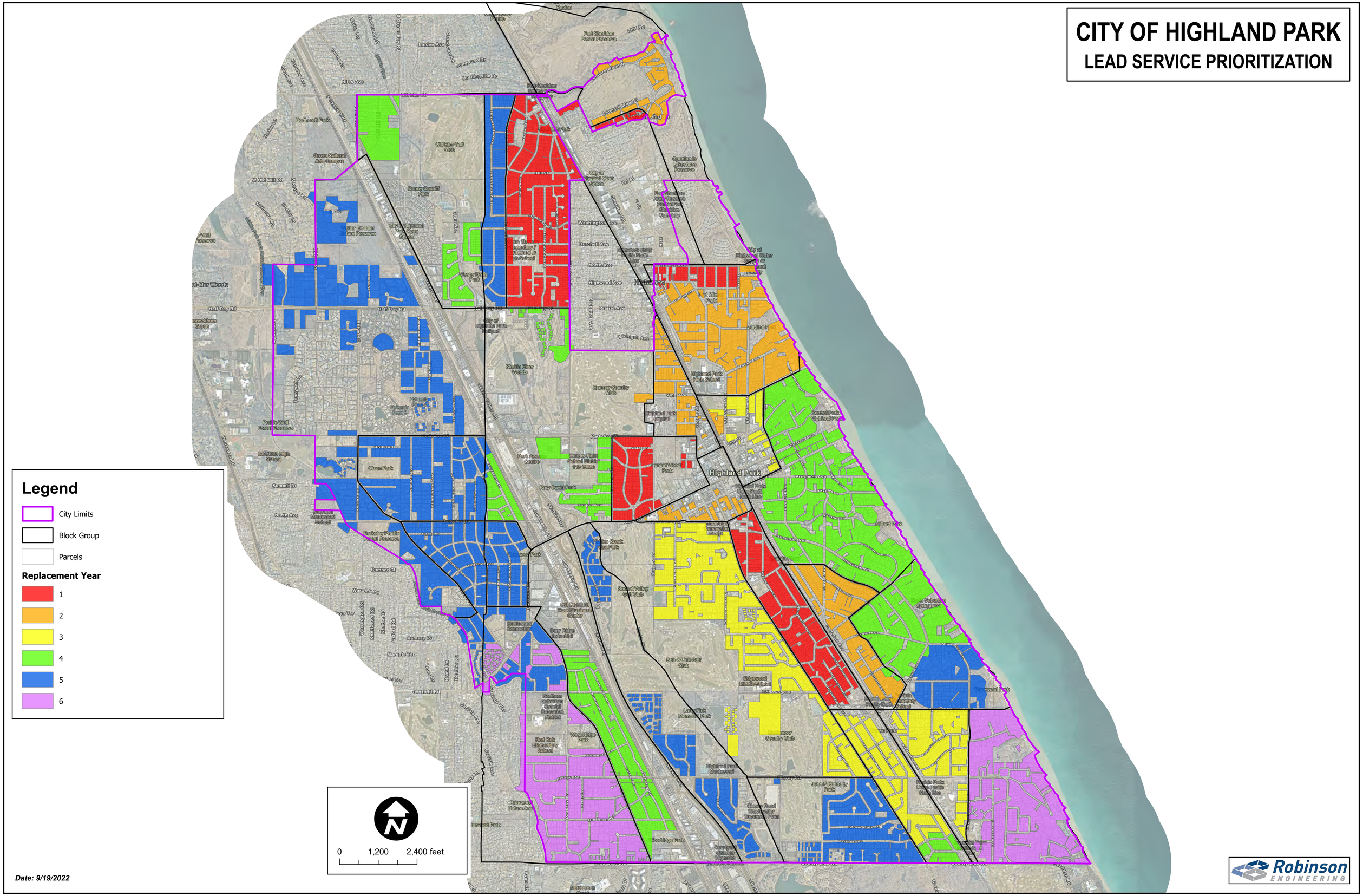
APPENDIX 1

PROJECT LOCATION MAP

CITY OF HIGHLAND PARK
LEAD SERVICE PROBABILITY


Legend
City Limits
Parcels
Service Line Modeled Probability
Known copper or ductile iron
Low likelihood of lead or galvanized steel
Medium likelihood of lead or galvanized steel
High likelihood of lead or galvanized steel
Extremely high likelihood of lead or galvanized steel
Known lead or galvanized steel
0
1,200
2,400 feet
Highland Park
Highwood
Fort Sheridan Forest Preserve
Lake Michigan
Ravine Park
Old Elm Golf Club
Sheridan Rd
Green Bay Rd
Skokie Valley Trail
Skokie River Woods
Skokie Valley Golf Club
Bob O'Link Golf Club
Exmoor Country Club
Highland Park Hospital
Highland Park High School
Deerfield High School
Braeburn Junior High School
Edgewood Middle School
Northern Suburban Special Recreation District
Red Oak Elementary School
Braeburn Nature Area
Park Ave Center
Walter Field School Building 199 Office
Sunset Woods Park
Ray David Park
Sunset Valley Golf Club
Old Deerfield Road Business Center
Deer Ridge Industrial
Larry Flick Memorial Park
West Ridge Park
Highland Park Hollycrest
Glaxo Road Wastewater Treatment Plant
John F Kennedy Park
Leadership Park
Countryside Chicago Highland
Braeburn Park
Olson Park
Berkeley Prairie Forest Preserve
Prairie Wolf Forest Preserve
Northeroft Park
Grove Cultural Arts Campus
Donny Cornell Park
City of Highland Park Open Space
Sheehy Hollo Park
Stevenson Elementary / Elementary School
City of Highland Park Hollycrest
Washington Ave
Burchell Ave
North Ave
Highwood Ave
Prairie Ave
Michigan Ave
Half Day Rd
Lake Cook Rd
Deerfield Rd
Ravine Park
Fort Sheridan Union Park
Lincoln Ave
Longwood Dr
Mooringside Dr
Niles Ave
Old Elm Rd
Fort Sheridan Forest Preserve
Fort Sheridan Arms Preserve Garrison Fort Sheridan Cemetery
Open Lands Lakeshore Preserve
City of Highwood Open Space
1st St
4th St
6th St
Sheridan Rd
Highwood Water Facility Public Use
City of Highwood Water Supply or Treatment
Veterans Park
Prairie Ave
Michigan Ave
Highland Park Public Library
Central Park Highland Park
Ravine Park
Millard Park
Indian Ravine Park
Public Library
Public Library
Public Library

CITY OF HIGHLAND PARK
LEAD SERVICE PRIORITIZATION



APPENDIX 2

IEPA – FUNDING NOMINATION FOR LOAN ASSISTANCE FOR DRINKING WATER LOAN PROJECTS

Illinois Environmental Protection Agency

1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276 • (217) 782-3397

Funding Nomination Form for Public Water Supply Loan Program

Annual Filing Deadline: March 31

For Agency Use Only
Date Received

Loan Number: L17

☑ Check here if new project without a loan number

1. Legal Name of Applicant: City of Highland Park

2. Address: 1707 St. Johns Avenue
Highland Park, IL 60035

3. Organizational Type:

- ⊘ Unit of Local Government
- ◯ Investor Owned Water Utility
- ◯ Not for Profit Water Corporation
- ◯ Mutually or Cooperatively Owned Water System
- ◯ Other: _____

4. Location Information:

a) County: Lake

b) U.S. Congressional District #: 10

c) Illinois House District #: 58

d) Illinois Senate District #: 29

e) Public Water Supply ID #: IL0970500

5. Authorized Representative:

Name: Ghida S. Neukirch

Title: City Manager

Phone: 847-926-1000

Email: gneukirch@cityhpil.com

6. Engineer:

Name: Diane Moeller

Firm: Robinson Engineering, Ltd.

Address: 26575 West Commerce Drive
Unit 512
Volo, IL 60073

Phone: 224-908-3983

Email: diane.moeller@reltd.com

7. Brief Description of Proposed Project Including Cost Estimate
(Attach additional pages if necessary)

Estimated Cost: $4,000,000.00

This project involves the replacement of lead service lines at various locations within the City. Replacement shall include full water service replacement from the water main to the interior of the residence.

8. Reason for Project: Compliance-related; technical policy violation & service continuation project.

If this project is compliance-related, or will resolve water quality issues such as taste, odor, or color, indicate above.

9. Project Location(s): LSL homes older than 1960, see project area map.

(May be address, address start & end points, latitude/longitude, or brief description)

10. Population Served by the Loan Applicant: 30,176

11. Protection of Assets (using an AMP or Equivalent)

a. Has the loan applicant implemented a system-wide Asset Management Plan (AMP)?	☑ Yes	☐ No
b. Is the loan applicant currently developing a system-wide Asset Management Plan?	☐ Yes	☑ No
c. Will the loan be used to develop a system-wide Asset Management Plan?	☐ Yes	☑ No

12. Additional Questions regarding this Project

a. Is the project based upon the completion of a system-wide water audit (water loss accounting)	☐ Yes	☑ No
b. Does the project involve quantifiable water conservation or efficiency measures, such as metering or reuse?	☐ Yes	☑ No
c. Does the applicant utilize a conservation promoting rate structure?	☑ Yes	☐ No
d. Does the project include improved technologies or practices to reduce energy consumption, or add renewable energy sources, such as solar panels & wind turbines?	☐ Yes	☑ No
e. Does the project include resiliency components, including facilities built for redundancy?	☐ Yes	☑ No
f. Does the project implement green infrastructure, such as green roofs or LEED buildings?	☐ Yes	☑ No
g. Does this project involve the removal of lead service lines?	☑ Yes	☐ No

13. Proposed Project Schedule

a. Project Plan Approval Date: 3/31/2023
b. Advertise for Bids: 6/30/2023
c. Construction Start Date: 11/1/2023
d. Completion of Construction: 11/1/2024

SIGN HERE

Authorized Representative: Linda S Menkvid Date: 29 September 2022

APPENDIX 3

IEPA – PROJECT PLANNING SUBMITTAL CHECKLIST

Illinois Environmental Protection Agency

1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276 • (217) 782-3397

Drinking Water Project Planning Submittal Checklist **Planning File**

Before the Agency will begin review of a Project Plan, all of the items below comprising the basic minimum requirements of a Project Plan must be included and the page number(s) of all items noted. Project planning must contain all pertinent information detailed in Ill. Adm. Code 35 Section 662.320(e). The loan applicant should be familiar with their planning responsibilities as detailed in Sections 662.320 and 662.330.

Complete this form online using Adobe Acrobat Reader, save it to your computer, then print and sign it.

Loan Applicant: City of Highland Park

Consulting Engineer: Robinson Engineering, Ltd. Phone Number: (847) 432-0800

Project Description:

This project involves replacement of lead service lines to residents at various locations. Service line replacement will include full water service replacement from the water main to the residential water meter.

Fill in the blank with the page(s) where each item below is found in the project plan. Additional information and/or examples for each item number are provided by corresponding numbers contained in the attached instructions.

No.	Page(s) or Comment	Information
1.	Page 1	Loan applicant's background, total population served by the applicant, customer base, and project location information.
2.	Page 2	Detailed description of the EXISTING public water supply source(s), treatment facilities, water storage facilities, and distribution system.
3.	Page 3	Project description that explains the need and justification of the proposed project, including the benefits of the project.
4.	Page 3	Discussion of the system's compliance with all applicable laws and regulations governing public water systems.
5.	Page 4	Basis of design for chosen alternative.
6.	Page 4	Inventory of environmental impacts of selected alternative, a discussion of the required mitigation measures, and a completed IEPA Loan Applicant Environmental Checklist form with sign-off documentation.
7.	Appendix 1	Reproducible 8.5 X 11 inch map(s) showing the project(s) location(s) relative to the community.
8.	Pages 5-10	An estimate of the total project costs and a detailed estimate of construction item costs.
9.	Page 10-11	Estimated loan terms, including: IEPA loan amount, interest rate, repayment period in years, and the annual loan repayment.
10.	Appendix 3	Financial arrangements for assuring adequate annual debt service and O, M, and R coverage, a description of the dedicated source of revenue necessary for loan repayment, and any other funding involved in the project.

No.	Page(s) or Comment	Information
11.	Page 11	Detailed description of the existing residential rate structure, water consumption, any proposed rate changes, and an example of the existing and the proposed average monthly residential bill because of the project(s).
12.	Appendix 3	One copy of completed Existing User Charge and O, M, and R Certification Sheet found on page 3 (attached) should be submitted with the Project Plan.
13.	N/A	Discussion of any "green" project components that are part of the proposed project.
14.	Page 11	Schedule for project implementation.
15.	N/A	Copies of inter-governmental and/or service agreements.
16.	N/A	IEPA construction permit status.
17.	N/A	Name and address of the local newspaper(s).

Three (3) copies of the Project Plan and related documents should be submitted along with one (1) copy of this completed checklist (pages 1 through 3) to:

Infrastructure Financial Assistance Section (IFAS)
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

IFAS will distribute the planning documents to the appropriate Agency staff for review, comment, and approval. IFAS will contact the loan applicant if further information is needed. Please use the box below for any special instructions or notes.

Illinois Environmental Protection Agency

1021 North Grand Avenue East • P.O. Box 19276 • Springfield • Illinois • 62794-9276 • (217) 782-3397

Existing User Charge and O, M, and R Certification Sheet

9,608	Number of current residential customers served by the system.
11.92 units	Actual average residential water use per customer per month (based on historical billing data)
$36.38	Current average monthly residential bill

Provide details that apply to your specific user rate charges:

Water use charges:	See rate sheet	per		gallons
		per		cubic feet
Flat Fee or Monthly User Charge:				
Debt Service Charge:				
Capital Improvement Charge:				
Wholesale Charge:				
Meter Service Fee (average-sized meter):				
Other Charge:		Explain:	See rate sheet	
Other Charge:		Explain:	See rate sheet	

1. Is the water/sewer fund annually operating in a positive or negative balance at this time? (select one)

   ☑ Positive ☐ Negative

2. Based upon your most recent annual budget please indicate the net operating income for your water/sewer fund:

   $3,628,297.00

   - **Net Operating Income = Total Revenue - Total Cost of Providing Service**
   - **Total Revenue = Revenue from user charges, commercial, residential, or wholesale, plus any other dedicated water/sewer fund revenue**
   - **Total Cost of Providing Service = All Operation and Maintenance costs (including replacement fund) plus dedicated water/sewer fund debt**

3. Will a rate increase or other revenue generating action be necessary to pay for this project? (select one)

   ☐ Yes ☑ No

4. If a rate increase (or other cost increase) is necessary, please provide the proposed user rate charges and proposed average monthly residential water bill as an attachment.

Any person who knowingly makes a false, fictitious, or fraudulent material statement, orally or in writing, to the Illinois EPA commits a Class 4 felony. A second or subsequent offense after conviction is a Class 3 felony. (415 ILCS 5/44(h))

Ghida S. Neukirch	City Manager
Authorized Representative (Printed)	Title
Ghida S Neukirch	29 September 2022
Signature	Date

APPENDIX 4

IEPA – LOAN APPLICANT ENVIRONMENTAL CHECKLIST

IEPA Loan Applicant Environmental Checklist and Certification Form

Loan Applicant: City of Highland Park L17#: _____

This form must be signed by the loan applicant's Authorized Representative. All loan applicants must provide items 1 and 2 below. The information that must be provided for items 3-8 are specific to conditions of the project. See the attached instructions that explain the requirements and provide contact information. If you believe an item is not required for your project, enter N/A instead of the date of response and provide an explanation in the planning report. For checklist items marked as N/A, also indicate the page number of the planning report where the explanation is located.

Provide records of consultation with Illinois Department of Natural Resources (IDNR), State Historic Preservation Office (SHPO) for the National Historic Preservation Act, Section 106 sign-off.

1) **Date of IDNR, SHPO response:** 6/27/22

Provide records of consultation with IDNR's Impact Assessment Section for evaluation pursuant to the Illinois Endangered Species Protection Act [520 ILCS 10/11], the Illinois Natural Areas Preservation Act [525 ILCS 30/17], Title 17 Illinois Administrative Code, Part 1075, and Interagency Wetlands Policy Act of 1989 (Illinois Administrative Code, Part 1090).

2) **Date of EcoCAT printout:** 6/3/22

Date of IDNR follow-up letter (when protected resources are identified): 6/6/22

For projects located within any wetland, river, stream, flood plain, floodway, waterway, any body of water, or construction located within 250 feet of a wetland; provide records of consultation from:

3) U.S. Army Corps of Engineers (USACE) **Date of USACE response:** Pending

For projects located within a flood plain or floodway, or along a jurisdictional river, lake, or stream without a mapped floodway or flood plain, provide records of consultation from:

4) IDNR Office of Water Resources (OWR) **Date of IDNR OWR response:** Regional Permit No. 3 Applies

If the project involves conversion of prime agricultural land to other uses, provide records of consultation from:

5) Illinois Department of Agriculture (IDOA). **Date of IDOA response:** Not Applicable

If the project includes 30% or more reserve capacity for future growth in the existing or proposed service areas, provide records of consultation from all applicable environmental regulatory entities listed on this form for the known growth/development areas associated with the identified secondary/indirect environmental impacts.

6) **Secondary impacts list of applicable regulatory entities and date of their responses:** Not Applicable

If any project with secondary impacts is located in a county under the jurisdiction of a Designated Water Quality Management Agency (DWQMA), which are the Greater Egypt Regional Planning & Development Commission (GERPDC), the Southwestern Illinois Metropolitan and Regional Planning Commission (SIMAPC), and the Chicago Metropolitan Agency for Planning (CMAP), provide records of consultation from:

7) Date of DWQMA response: Not Applicable

For certain projects, Section 106 of the National Historic Preservation Act of 1966 (NHPA) requires consultation with all interested, federally recognized Indian tribes. Consultation is required if construction has the potential to affect properties that have religious or cultural significance to Indian tribes previously residing in Illinois. Check all boxes below that apply to this project. If applicable, consultation is required with the Tribal Historic Preservation Office of each interested tribe. If a response is not received in 30 days, consider consultation closed.

☐ **Significant ground disturbance (digging)**
Examples: new sewers, utility lines (above and below ground), foundations, footings, grading, access roads. This does not include sewer lining; in-place sewer or water main replacements without an increase to the trench size; or re-building a lift station, well, or above-ground building without increasing the footprint.

☐ **New construction in undeveloped natural areas**
Examples: treatment plants, pipelines, or other new facilities in undeveloped natural areas such as forests, etc.

☐ **Visual changes and/or audible changes**
Examples: construction of a focal point that is out of character with the surrounding natural area, impairment of the view from an observation point in the natural landscape, impairment of the historic scenic qualities of an area, or an increase in noise levels above an acceptable standard in areas known and appreciated for their quietness.

☐ **Atmospheric changes**
Example: introduction of lights that create skyglow in an area with a dark night sky.

☐ **Work on a building with significant tribal association**
Examples: rehabilitation, demolition, or removal of a surviving ancient tribal structure(s), or a structure that is believed to be the location of a significant tribal event or that served as a tribal school or community hall.

☐ **Transfer, lease, or sale of a historic property of religious and cultural significance**
Examples: Involves properties that contain archaeological sites, burial grounds, sacred landscapes or features, ceremonial areas, or structures with significant tribal association.

☒ **None of the above apply – Tribal Consultation is Not Applicable**

8) Date Submitted to Interested Tribes_____ List tribes contacted below or attach a list. Indicate contact date and if a response was received. Copies of all responses must be submitted to IEPA.

Certification: By signing this form, the Loan Applicant certifies that the applicable environmental evaluations were conducted for the proposed project locations, and if the review results for any of these environmental evaluations include recommendations, conditions, certifications, and/or permits, the Loan Applicant agrees to comply.

SIGN HERE K. Ruth Kn Date: 08/04/22

Loan Applicant's Authorized Representative

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Illinois Department of
Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

JB Pritzker, Governor
Colleen Callahan, Director

Lake County
Highland Park
Various locations throughout the city
IEPA LOAN
Lead service line replacement

PLEASE REFER TO: SHPO LOG #014071422

July 27, 2022

Jonathan Flowers
Robinson Engineering
10045 West Lincoln Highway
Frankfort, IL 60423-1272

Dear Mr. Flowers:

We have reviewed the documentation submitted for the referenced project(s) in accordance with 36 CFR Part 800.4. Based upon the information provided, no historic properties are affected. We, therefore, have no objection to the undertaking proceeding as planned.

Please retain this letter in your files as evidence of compliance with section 106 of the National Historic Preservation Act of 1966, as amended. This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you are an applicant, please submit a copy of this letter to the state or federal agency from which you obtain any permit, license, grant, or other assistance. If further assistance is needed contact Jeff Kruchten, Chief Archaeologist at 217/785-1279 or Jeffery.kruchten@illinois.gov.

Sincerely,

Carey L. Mayer

Carey L. Mayer , AIA
Deputy State Historic
Preservation Officer

EcoCAT
Ecological Compliance Assessment Tool

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Applicant: Highland Park
Contact: Ron Bannon
Address: Department of Public Works
1150 Half Day Road
Highland Park, IL 60035

IDNR Project Number: 2213953
Date: 06/03/2022

Project: Lead Service Line Replacements
Address: 1707 St Johns Ave, Highland Park

Description: Replacement of lead service lines with copper pipes.

Natural Resource Review Results

Consultation for Endangered Species Protection and Natural Areas Preservation (Part 1075)

The Illinois Natural Heritage Database shows the following protected resources may be in the vicinity of the project location:

Berkeley Prairie INAI Site
Fort Sheridan Bluff INAI Site
Fort Sheridan Site INAI Site
Hybernia - Highmoor Prairie INAI Site
Mccormick Ravine INAI Site
Ravinia Bluff INAI Site
Somme Prairie INAI Site
Berkeley Prairie Nature Preserve
Highmoor Park Nature Preserve
Hybernia Nature Preserve
Openlands Lakeshore, Bluff And Ravine Nature Preserve
Balsam Poplar *(Populus balsamifera)*
Bearded Wheat Grass *(Elymus trachycaulus)*
Black-Crowned Night-Heron *(Nycticorax nycticorax)*
Buffaloberry *(Shepherdia canadensis)*
Butternut *(Juglans cinerea)*
Downy Solomon's Seal *(Polygonatum pubescens)*
Downy Solomon's Seal *(Polygonatum pubescens)*
Dwarf Raspberry *(Rubus pubescens)*
Eastern Prairie Fringed Orchid *(Platanthera leucophaea)*
False Bugbane *(Cimicifuga racemosa)*
Forked Aster *(Aster furcatus)*
Golden Sedge *(Carex aurea)*
Golden Sedge *(Carex aurea)*
Golden Sedge *(Carex aurea)*
Ground Juniper *(Juniperus communis)*
Ground Juniper *(Juniperus communis)*
Hairgrass *(Deschampsia flexuosa)*
Kalm's St. John's Wort *(Hypericum kalmianum)*
Kalm's St. John's Wort *(Hypericum kalmianum)*
Marram Grass *(Ammophila breviligulata)*

Marram Grass *(Ammophila breviligulata)*
Northern Cranesbill *(Geranium bicknellii)*
Pale Vetchling *(Lathyrus ochroleucus)*
Purple-Flowering Raspberry *(Rubus odoratus)*
Queen-Of-The-Prairie *(Filipendula rubra)*
Red Honeysuckle *(Lonicera dioica var. glaucescens)*
Sea Rocket *(Cakile edentula var. lacustris)*
Sea Rocket *(Cakile edentula var. lacustris)*
Sea Rocket *(Cakile edentula var. lacustris)*
Seaside Spurge *(Chamaesyce polygonifolia)*
Seaside Spurge *(Chamaesyce polygonifolia)*
Sedge *(Carex bromoides)*
Sedge *(Carex formosa)*

Wetland Review (Part 1090)

The Illinois Wetlands Inventory shows wetlands within 250 feet of the project location.

An IDNR staff member will evaluate this information and contact you to request additional information or to terminate consultation if adverse effects are unlikely.

Location

The applicant is responsible for the accuracy of the location submitted for the project.

County: Lake

Township, Range, Section:
43N, 12E, 9
43N, 12E, 10
43N, 12E, 11
43N, 12E, 14
43N, 12E, 15
43N, 12E, 16
43N, 12E, 17
43N, 12E, 20
43N, 12E, 21
43N, 12E, 22
43N, 12E, 23
43N, 12E, 24
43N, 12E, 25
43N, 12E, 26
43N, 12E, 27
43N, 12E, 28
43N, 12E, 34
43N, 12E, 35
43N, 12E, 36
43N, 13E, 31

IL Department of Natural Resources Contact
Adam Rawe
217-785-5500
Division of Ecosystems & Environment

Government Jurisdiction
IL Environmental Protection Agency
Heidi Allen
1021 N Grand Ave E
Springfield, Illinois 62702

Disclaimer

The Illinois Natural Heritage Database cannot provide a conclusive statement on the presence, absence, or condition of natural resources in Illinois. This review reflects the information existing in the Database at the time of this inquiry, and should not be regarded as a final statement on the site being considered, nor should it be a substitute for detailed site surveys or field surveys required for environmental assessments. If additional protected resources are encountered during the project's implementation, compliance with applicable statutes and regulations is required.

Terms of Use

By using this website, you acknowledge that you have read and agree to these terms. These terms may be revised by IDNR as necessary. If you continue to use the EcoCAT application after we post changes to these terms, it will mean that you accept such changes. If at any time you do not accept the Terms of Use, you may not continue to use the website.

1. The IDNR EcoCAT website was developed so that units of local government, state agencies and the public could request information or begin natural resource consultations on-line for the Illinois Endangered Species Protection Act, Illinois Natural Areas Preservation Act, and Illinois Interagency Wetland Policy Act. EcoCAT uses databases, Geographic Information System mapping, and a set of programmed decision rules to determine if proposed actions are in the vicinity of protected natural resources. By indicating your agreement to the Terms of Use for this application, you warrant that you will not use this web site for any other purpose.

2. Unauthorized attempts to upload, download, or change information on this website are strictly prohibited and may be punishable under the Computer Fraud and Abuse Act of 1986 and/or the National Information Infrastructure Protection Act.

3. IDNR reserves the right to enhance, modify, alter, or suspend the website at any time without notice, or to terminate or restrict access.

Security

EcoCAT operates on a state of Illinois computer system. We may use software to monitor traffic and to identify unauthorized attempts to upload, download, or change information, to cause harm or otherwise to damage this site. Unauthorized attempts to upload, download, or change information on this server is strictly prohibited by law.

Unauthorized use, tampering with or modification of this system, including supporting hardware or software, may subject the violator to criminal and civil penalties. In the event of unauthorized intrusion, all relevant information regarding possible violation of law may be provided to law enforcement officials.

Privacy

EcoCAT generates a public record subject to disclosure under the Freedom of Information Act. Otherwise, IDNR uses the information submitted to EcoCAT solely for internal tracking purposes.

Illinois Department of
Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
http://dnr.state.il.us

JB Pritzker, Governor
Colleen Callahan, Director

June 06, 2022

Ron Bannon
Highland Park
Department of Public Works
1150 Half Day Road
Highland Park, IL 60035

RE: Lead Service Line Replacements
Project Number(s): 2213953
County: Lake

Dear Applicant:

This letter is in reference to the project you recently submitted for consultation. The natural resource review provided by EcoCAT identified protected resources that may be in the vicinity of the proposed action. The Department has evaluated this information and concluded that adverse effects are unlikely. Therefore, consultation under 17 Ill. Adm. Code Part 1075 and 1090 is terminated.

Consultation for Part 1075 is valid for two years unless new information becomes available that was not previously considered; the proposed action is modified; or additional species, essential habitat, or Natural Areas are identified in the vicinity. If the project has not been implemented within two years of the date of this letter, or any of the above listed conditions develop, a new consultation is necessary. Consultation for Part 1090 (Interagency Wetland Policy Act) is valid for three years.

The natural resource review reflects the information existing in the Illinois Natural Heritage Database and the Illinois Wetlands Inventory at the time of the project submittal, and should not be regarded as a final statement on the site being considered, nor should it be a substitute for detailed site surveys or field surveys required for environmental assessments. If additional protected resources are encountered during the project's implementation, you must comply with the applicable statutes and regulations. Also, note that termination does not imply IDNR's authorization or endorsement of the proposed action.

Please contact me if you have questions regarding this review.

Adam Rawe

Adam Rawe
Division of Ecosystems and Environment
217-785-5500

APPENDIX 5

DETAILED COST ESTIMATE

Robinson ENGINEERING
Municipal Expertise. Community Commitment.

REL #: 22-R0904.01

ESTIMATE OF COSTS

Local Agency City of Highland Park
Location Various Throughout the City
Description Year #1 - Lead Service Replacements

Item No.	Item Description	Unit	Quantity	Unit Price	Total
1	FULL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 8,000.00	$ 1,600,000.00
2	PARTIAL LEAD WATER SERVICE REPLACEMENT	EACH	195	$ 6,500.00	$ 1,267,500.00
3	PRELIMINARY INSPECTION	HOUR	1200	$ 100.00	$ 120,000.00
4	EXPLORATORY EXCAVATION	EACH	200	$ 400.00	$ 80,000.00
5	LEAD FILTER PITCHER WITH SIX MONTHS OF FILTER CARTRIDGES	EACH	395	$ 200.00	$ 79,000.00

Subtotal	$ 3,146,500.00
Subtotal Rounded Up	$ 3,150,000.00
Contingency (10%)	$ 315,000.00
Design Engineering	$ 185,000.00
Construction Engineering	$ 315,000.00
Total Cost	$ 3,965,000.00

Robinson ENGINEERING
Municipal Expertise. Community Commitment.

REL #: 22-R0904.01

ESTIMATE OF COSTS

Local Agency City of Highland Park
Location Various Throughout the City
Description Year #2 - Lead Service Replacements

Item No.	Item Description	Unit	Quantity	Unit Price	Total
1	FULL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 8,000.00	$ 1,600,000.00
2	PARTIAL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 6,500.00	$ 1,300,000.00
3	PRELIMINARY INSPECTION	HOUR	1200	$ 100.00	$ 120,000.00
4	EXPLORATORY EXCAVATION	EACH	200	$ 400.00	$ 80,000.00
5	LEAD FILTER PITCHER WITH SIX MONTHS OF FILTER CARTRIDGES	EACH	400	$ 200.00	$ 80,000.00

Subtotal	$ 3,180,000.00
Subtotal Rounded Up	$ 3,180,000.00
Contingency (10%)	$ 318,000.00
Design Engineering	$ 159,000.00
Construction Engineering	$ 318,000.00
Total Cost	$ 3,975,000.00

Robinson ENGINEERING
Municipal Expertise. Community Commitment.

REL #: 22-R0904.01

ESTIMATE OF COSTS

Local Agency City of Highland Park
Location Various Throughout the City
Description Year #3 - Lead Service Replacements

Item No.	Item Description	Unit	Quantity	Unit Price	Total
1	FULL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 8,000.00	$ 1,600,000.00
2	PARTIAL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 6,500.00	$ 1,300,000.00
3	PRELIMINARY INSPECTION	HOUR	1200	$ 100.00	$ 120,000.00
4	EXPLORATORY EXCAVATION	EACH	200	$ 400.00	$ 80,000.00
5	LEAD FILTER PITCHER WITH SIX MONTHS OF FILTER CARTRIDGES	EACH	400	$ 200.00	$ 80,000.00

Subtotal	$ 3,180,000.00
Subtotal Rounded Up	$ 3,180,000.00
Contingency (10%)	$ 318,000.00
Design Engineering	$ 159,000.00
Construction Engineering	$ 318,000.00
Total Cost	$ 3,975,000.00

Robinson ENGINEERING
Municipal Expertise. Community Commitment.

REL #: 22-R0904.01

ESTIMATE OF COSTS

Local Agency City of Highland Park
Location Various Throughout the City
Description Year #4 - Lead Service Replacements

Item No.	Item Description	Unit	Quantity	Unit Price	Total
1	FULL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 8,000.00	$ 1,600,000.00
2	PARTIAL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 6,500.00	$ 1,300,000.00
3	PRELIMINARY INSPECTION	HOUR	1200	$ 100.00	$ 120,000.00
4	EXPLORATORY EXCAVATION	EACH	200	$ 400.00	$ 80,000.00
5	LEAD FILTER PITCHER WITH SIX MONTHS OF FILTER CARTRIDGES	EACH	400	$ 200.00	$ 80,000.00

Subtotal	$ 3,180,000.00
Subtotal Rounded Up	$ 3,180,000.00
Contingency (10%)	$ 318,000.00
Design Engineering	$ 159,000.00
Construction Engineering	$ 318,000.00
Total Cost	$ 3,975,000.00

Robinson ENGINEERING
Municipal Expertise. Community Commitment.

REL #: 22-R0904.01

ESTIMATE OF COSTS

Local Agency City of Highland Park
Location Various Throughout the City
Description Year #5 - Lead Service Replacements

Item No.	Item Description	Unit	Quantity	Unit Price	Total
1	FULL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 8,000.00	$ 1,600,000.00
2	PARTIAL LEAD WATER SERVICE REPLACEMENT	EACH	200	$ 6,500.00	$ 1,300,000.00
3	PRELIMINARY INSPECTION	HOUR	1200	$ 100.00	$ 120,000.00
4	EXPLORATORY EXCAVATION	EACH	200	$ 400.00	$ 80,000.00
5	LEAD FILTER PITCHER WITH SIX MONTHS OF FILTER CARTRIDGES	EACH	400	$ 200.00	$ 80,000.00

Subtotal	$ 3,180,000.00
Subtotal Rounded Up	$ 3,180,000.00
Contingency (10%)	$ 318,000.00
Design Engineering	$ 159,000.00
Construction Engineering	$ 318,000.00
Total Cost	$ 3,975,000.00

APPENDIX 6

SAFE DRINKING WATER INFORMATION SYSTEM (SDWIS) VIOLATION REPORT

Drinking Water Branch

Violations

Return Links

Water System Detail

Water Systems

Water System Search

County Map

Glossary

Water System No. :	IL0970500	**Federal Type :**	C
Water System Name :	HIGHLAND PARK	**State Type :**	C
Principal County Served :	LAKE	**Primary Source :**	SW
Status :	A	**Activity Date :**	01-01-1970

****Please note**: some of these violations may have been resolved and/or returned to compliance. Please click on the violation to view more information on its compliance status.**

Group Violations

Violation No.	Status	Violation Type	Violation Name	Analyte Group Code	Analyte Group Name	Water System Facility State Asgn ID	Water System Facility Name

Total Number of Records Fetched = 0

Individual Violations

Violation No.	Status	Violation Type	Violation Name	Analyte Code	Analyte Name	Water System Facility State Asgn ID	Water System Facility Name
2005-7042505	V	43	SINGLE COMB FLTR EFFLUENT (IESWTR/LT1)	0300	IESWTR	null	null
1995-3716095	V	65	PUBLIC EDUCATION (LCR)	5000	LEAD & COPPER RULE	null	null
1993-1813593	V	03	MONITORING, ROUTINE MAJOR	0100	TURBIDITY	null	null
1986-122986	V	03	MONITORING, ROUTINE MINOR	3000	COLIFORM (PRE-TCR)	null	null
1980-7042380	V	03	MONITORING, ROUTINE MINOR	4000	GROSS ALPHA, EXCL. RADON & U	null	null

Total Number of Records Fetched = 5

APPENDIX 7

ORDINANCE AMENDING WATER SERVICE RATES AND CHARGES

Chapter 50 - WATER AND WATERWORKS

ARTICLE I. - EMERGENCY PERIODS

Sec. 50.001. - Emergency Water Conservation Regulations.

During any period when the overall demand upon the City water supply system is so great as to endanger the public health, safety, and welfare, the City Manager is authorized to declare an emergency and to issue emergency water conservation regulations, limiting or prohibiting use of water from the City water mains for the sprinkling, watering, or irrigation of shrubbery, trees, lawns, grass, ground covers, plants, vines, gardens, vegetables, flowers, or for any other purpose published in regulations issued hereunder by the City Manager. The City Manager shall have the right, but not the obligation, to exempt from any emergency water conservation regulation imposed pursuant to this Section 50.001 the use of water by the City or another unit of local government, as the City Manager deems necessary to preserve the public health, safety, and welfare.

(Ord. 875, J. 4, p. 875, passed 6/11/56; Ord. 26-13, J. 39, p. 51-52, passed 02/25/13)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.005. - Publication of Emergency Regulations.

All emergency regulations issued by the City Manager shall be posted to the City's general website and publicly disseminated by the City Manager

(Ord. 875, J. 4, p. 875, passed 6/11/56; Ord. No. O59-2018 , § 2, 6/11/18)

Sec. 50.010. - Enforcement of Emergency Regulations.

The City Manager shall have the authority to enforce the provisions of Section 50.001 and all regulations issued thereunder, including the discontinuance of water service in the event of violation thereof.

(Ord. 875, J. 4, p. 875, passed 6/11/56)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.020. - Outdoor Water Use.

(A) For the purpose of this Section, "lawn" shall mean that portion of any lot under cultivation with grass, trees, shrubs, bushes or other type of vegetati

(B) Excepting the use of hand-held hoses or sprinkling cans used for the watering of gardens and shrubs, and except as provided in Section 50.020(C) of this Chapter, from May 15 through September 15 of every year, lawn sprinkling is prohibited:

(1) Every day between the hours of 12:00 noon and 6:00 p.m., on all lots; and

(2) On odd-numbered days of the month during all hours, on lots bearing even-numbered addresses; and

(3) On even-numbered days of the month during all hours, on lots bearing odd-numbered addresses.

(C) Section 50.020(B) shall not apply to:

(1) Lawn sprinklers or irrigation systems connected to a private well, pond, watercourse, or cistern; or

(2) Lawn sprinkling of trees, plants, or other landscaping as necessary for the preservation and health thereof, as determined and approved in writing and in advance by the Director of Public Works.

(Ord. 22-90, J. 18, p. 249, passed 5/14/90; Ord. 26-13, J. 39, p. 51-52, passed 02/25/13; Ord. No. O59-2018 , § 3, 6/11/18)

ARTICLE II. - FLUORIDATION OF PUBLIC WATER SUPPLY

Sec. 50.050. - Fluoridation of Water Supply.

For the purpose of promoting the public health, a source of fluoridation shall be added to the water supply of the City, in amounts and by methods consistent with applicable State law.

(Ord. 772, J. 4, p. 772, passed 5/2/55; Ord. No. O59-2018 , § 4, 6/11/18)

Sec. 50.055. - Reserved.

Editor's note— Ord. No. O59-2018 , § 46, adopted June 11, 2018, repealed § 50-055, which pertained to installation of fluoridation equipment and derived from Ord. No. 772, J.4, p. 772, passed May 2, 1955.

Sec. 50.060. - Periodic Tests of Fluoride Content.

The Director of Public Works, or his or her designee, shall test the fluoride content of the water supply periodically using standard test methods and procedures to ensure the maintenance of the fluoride content within the limits specified in Section 50.050. Such tests shall be made at least once within each 24-hour period and a monthly report of such tests shall be filed with the State.

(Ord. 772, J. 4, p. 772, passed 5/2/55; Ord. No. O59-2018 , § 5, 6/11/18)

Sec. 50.065. - Reserved.

Editor's note— Ord. No. O59-2018 , § 46, adopted June 11, 2018 repealed § 50.065, which pertained to budget to include amount for fluoridation and derived from Ord. 772, J. 4, p. 772, passed May 2, 1955.

ARTICLE III. - AIR-CONDITIONING EQUIPMENT

Sec. 50.100. - Reserved.

Editor's note— Ord. 36-92, J. 19, p. 177-179, passed 9/14/92.

Sec. 50.105. - Air-Conditioning Regulations.

(A) Except as otherwise provided herein, it shall be unlawful for any person or corporation to install, construct, alter, modify, or operate an air-conditioning unit or an air-conditioning system without first conforming to the following regulations:

(1) Prior to the installation or construction of any such air-conditioning unit or air-conditioning system an application shall be filed with and a permit obtained from the Director of Community Development or his or her designee. The application shall be signed by the owner or lessee of the building in which such air-conditioning unit is to be installed, or constructed, and shall state the locations of the building, the name, type, and rated capacity in tons of the unit, or if there is no rated capacity, then the horsepower of the compressor motor, the source of the water required for the unit and the method of disposing of the discharge water.

(2) The owner or lessee of any building in which an air-conditioning system has been installed or constructed prior to the effective date of this ordinance shall, within 60 days after said effective date, file an application with and obtain a permit from the Director of Community Development or his or her designee for the operation of such system. In addition to the information required by paragraph (1) of this Section, the application shall show the date of installation of the system.

(3) The owner or lessee of the building must file an application with and obtain a permit from the Director of Community Development or his or

her designee prior to making any alteration or modification of an air-conditioning system which affects the tons of refrigeration of the system, the source of the water supply, the rate of use of water or the disposal of the discharge water. In addition to the information required by paragraph (1) of this Section, the application shall show date of installation of the original system and the nature of the alterations or modifications to be made.

(4) An approved automatic water regulating device, so adjusted as to limit the intake of water from the City main into the system to not more than two-tenths (2/10) of a gallon per minute per ton of refrigeration shall be installed with each air-conditioning unit for which an installation, alteration or modification permit is required, by paragraphs (1) or (3) of this Section, is obtained after the effective date of this ordinance. All such regulating devices shall be so located as to facilitate periodic inspections by the City.

(5) A separate water meter may be required for any air-conditioning system. All air-conditioning systems of 50 tons of refrigeration and over shall be separately metered.

(6) The piping for all air-conditioning systems shall be equipped with suitable check valves, or shall be so arranged as to make impossible back siphonage to the public water supply system.

(7) Where a storm sewer is available in a street adjoining premises in which an air-conditioning system using water from any source is installed, or constructed, the drain for the discharge water from such system shall be connected to the storm sewer. No water from an air-conditioning system using water supplied by the City or from any other source may be permitted to flow, drain, or infiltrate, in any manner, into a sanitary sewer or a septic tank.

(8) Every air-conditioning system having an aggregate of more than five tons capacity, which was installed prior to the effective date of this ordinance shall, within 30 days after the effective date of this ordinance be made to comply with the provisions of paragraph (6) of this Section and not later than May 1, 1957, shall be modified, where necessary, to cause the installation and operation of such system to conform to all of the provisions of this ordinance applicable to systems installed after the effective date of this ordinance.

(9) The Director of Community Development, and his or her designees, shall at all reasonable hours have free access to premises using water for air-conditioning purposes, to examine the equipment and to ascertain whether there is compliance with the provisions of Sections 50.100 to 50.120.

(Ord. 867, J. 4, p. 867, passed 4/30/56; Ord. No. O59-2018 , § 6, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.110. - Restrictions on use of Air-Conditioners in Emergency.

During the periods when overall demand upon the City water supply system is so great as to endanger the public health, safety, and welfare, the City Manager is authorized to declare an emergency and to issue emergency water conservation regulations, including the stoppage of use of water from the City mains in any air-conditioning system not having a water conserving device installed as a part thereof.

(Ord. 867, J. 4, p. 867, passed 4/30/56)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.115. - Permit Required to Install Air-Conditioning System; Fee.

The fee for a permit to install or construct an air-conditioning system shall be as set forth in Chapter 170 of this Code.

(Ord. 7-87, J. 17, p. 84-86, passed 1/26/87)

State Law reference— See Building Regulations, Sec. 170.003(2)(jj)2501.1 General 3. and 4.

Sec. 50.120. - Revocation of Permit.

The Mayor, or City Manager is authorized to revoke any permit issued under Section 50.115 for any one of the following reasons:

(1) Failure to comply immediately with any emergency water conservation regulation.

(2) Making any alteration, change, or addition to any part of an air-conditioning system without first obtaining a permit from the Director of Community Development or his or her designee.

(3) The use of water from the City mains in excess of the amount permitted under Sections 50.100 to 50.120.

(Ord. 867, J. 4, p. 867, passed 4/30/56; Ord. No. O59-2018 , § 7, 6/11/18)

ARTICLE IV. - WATER TAKERS AND LICENSED PLUMBERS

Sec. 50.200. - Water Work to be Supervised.

All work done on the streets and contemplated by Sections 50.200 to 50.320 must be done under the supervision of the Director of Public Works or his or her designee.

(1919 Code, Sec. 248(1); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. No. O59-2018 , § 8, 6/11/18)

Sec. 50.205. - Size of Pipes to be Specified in Permit.

The diameter of the water tap and water service shall be the size specified in the approved permit. The Director of Public Works shall keep a complete record and a profile of the exact location, number and sizes of all taps inserted and the length of service pipe laid; the tapper being hereby required to make immediate report to the City Manager of such details.

(1919 Code, Sec. 248(2); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. No. O59-2018 , § 9, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.210. - Application to Connect Service Pipe and Water Main; Fees.

(A) Applications for permits to connect service pipes with any supply pipe shall be made in writing to the Director of Community Development or his or her designee. The minimum tap size shall be one inch. The service charges for tapping water mains and for installing water mains shall be as set forth in the annual fee resolution.

(B) Applications to connect a water main to the public water system shall be made in writing to the Director of Public Works or his or her designee. The service charge for connecting mains to the public water system shall be at the rate set forth in the annual fee resolution.

(1919 Code, Sec. 248 (3); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; amended Ord. 395, J. 4, p. 395, passed 2/16/48; amended Ord. 1094, J. 4, p. 1094, passed 11/3/58; amended Ord. 32-64, J. 5, p. 956, passed 7/27/64; amended Ord. 27-66, J. 6, p. 282, passed 6/27/66; amended Ord. 7-75, J. 12, p. 1202, passed 2/10/75; Ord. 13-90, J. 18, p. 222-229, passed 2/26/90, Ord. 35-03, J. 29, p. 134, passed 5/27/03; Ord. No. O59-2018 , § 10, 6/11/18)

Sec. 50.211. - Maintenance of Service Pipes.

Every person, firm or corporation, connecting a service pipe to any supply pipe shall be responsible for the proper maintenance thereof and shall defend, indemnify and hold the City harmless of and from all and any loss, costs, damage or expense arising out of such connection, the presence of said service line in the public right-of-way, its breakage, leakage, or other deterioration or necessary repairs thereto; provided, however, that:

(1) Where a meter pit is or has been installed in the public right-of-way, the property owner shall be responsible for the maintenance of the service pipe, and its connection to the meter, from the meter to and inside the structure. No connections of any kind will be permitted within the water pit.

(2) Where a meter is or has been installed inside a structure, the property owner shall be responsible for the maintenance of the service pipe,

and its connection to the valve box, from the valve box located in the public right-of-way to and inside the structure. The meter must remain accessible at all times for maintenance, repairs, replacement, and removal.

(Ord. 57-78, J. 13, p. 2131, passed 11/6/78; Ord. No. O59-2018 , § 11, 6/11/18)

Sec. 50.215. - Watermain Tapping.

Upon approval of all applicable permits therefor, the tapping of the watermain must be scheduled with, and supervised by, the Director of Public Works or his or her designee.

(1919 Code, Sec. 248 (4); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. No. O59-2018 , § 12, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.220. - Method of Tapping Street Mains, Valves and Ferrules.

No person except those authorized by the director of public works or his or her designee, will be permitted under any circumstances to tap the street mains or insert stop-cocks or shut-off valves. All work must be performed as specified in the permit or as otherwise authorized by the director of public works or his or her designee.

(1919 Code, Sec. 248 (5); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. No. O59-2018 , § 13, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.225. - Only One Building to be Supplied from One Service Pipe; Separate Meters Required.

(A) Single service pipe required. Not more than one building (except accessory buildings) shall be supplied from one service pipe. The Director of Public Works, or his or her designee, is hereby granted authority to specify and require the installation of such size and capacity of water meter or meters as will accurately measure the water being supplied through any tap or service, and to direct the replacement of existing or previously specified meters for such purpose.

(B) Separate water meters required. Buildings containing more than one dwelling unit, or a dwelling unit in addition to a non-residential use, shall be furnished with a separate water meter for each dwelling unit.

(C) Exceptions. More than one water meter shall not be required for any building owned entirely by a single legal entity, nor for any building utilizing a central hot water heating system.

(Ord. 67-78, J. 13, p. 2324, passed 12/11/78; Ord. No. O59-2018 , § 14, 6/11/18)

Sec. 50.230. - Reserved.

Editor's note— Ord. No. O59-2018 , § 46, adopted June 11, 2018 repealed § 50-230, which pertained to installation of fluoridation equipment and derived from 1919 Code, Sec. 248 (7); amended Ord. —, J. 3, p. 353 1/2, passed October 24, 1927.

Sec. 50.235. - Due Dates for Water Rents; Water Bills.

(A) The City Manager shall divide the City into three districts for water billing purposes. Water bills for the first district shall be payable on the first day of January, the first day of April, the first day of July and the first day of October of each year; for the second district, on the first day of February, the first day of May, the first day of August and the first day of November of each year; and the third such district, on the first day of March, the first day of June, the first day of September and the first day of December of each year.

(B) The billing for hospitals, units of government and non-residential water takers using more than 135,000 cubic feet per month may, at the discretion of the City Manager, be made on a monthly basis.

(C) The computation of water bills shall be based upon the reading of the meters for the preceding period and the amount of water thus shown to have been used since the last reading of such meter; provided, however, that in the event of unusual conditions which prevent an accurate reading of such meter, the bill for such water bills may be made upon an estimated basis.

(D) It shall be the duty of the Director of Finance, within 15 days following the expiration of each period to send out bills for water at the times and in the amounts herein provided to all water takers.

(E) Water users shall be billed in accordance with the computation of water rents determined in accordance with Subsection (C) or at the minimum rate established by the annual fee resolution.

(Ord. 73-76, J. 12, p. 1733, passed 10/11/76; amended Ord. 18-77, J. 13, p. 1813, passed 5/9/77; Ord. 28-01, J. 27, p. 104-109, passed 5/14/01; Ord. No. O59-2018 , § 15, 6/11/18)

Sec. 50.240. - Applicants for Water from City.

All applicants for water shall apply in writing for the same to the City through the Director of Public Works or his or her designee, on a form to be provided by the City.

(1919 Code, Sec. 248 (9); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. No. O59-2018 , § 16, 6/11/18)

Sec. 50.245. - Responsibility for Payment.

No deposit shall be required from an applicant for use of water who is not the owner of the real estate upon which the water is to be used; however, the owner of the property to which the water is supplied as well as the user thereof shall be jointly and severally responsible for payment of the charges and/or statement or bill for any water service supplied by the City.

(Ord. 58-82, J. 15, p. 0259, passed 12/13/82; Ord. No. O59-2018 , § 17, 6/11/18)

Sec. 50.250. - Reserved.

Editor's note— Ord. No. O59-2018 , § 46, adopted June 11, 2018 repealed § 50.250, which pertained to installation of flouridation equipment and derived from 1919 Code, Sec. 248 (10); amended Ord. —, J. 3, p. 353 1/2, passed October 24, 1927.

Sec. 50.255. - Right of Entry by Officials to Examine Pipes and Meters.

The Director of Public Works and his or her designee shall have free access, at all reasonable hours to all parts of every building in which the water is delivered and consumed, to examine the pipes and fixtures and to examine and read all meters, and to ascertain, in cases where meters are not used by water takers, whether there is an unnecessary waste of water.

(1919 Code, Sec. 248 (11); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. No. O59-2018 , § 18, 6/11/18)

Sec. 50.260. - Meters Required on Service Pipes; Exceptions.

The Director of Public Works or his or her designee shall supply meters to all service pipes now connected, or that may hereafter be connected, with the public water mains of the City. The size, capacity, and kind of each meter is to be determined by the Director of Public Works or his or her designee.

(1919 Code, Sec. 248 (13); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27Ord. No. O59-2018 , § 19, 6/11/18)

Sec. 50.265. - Water Not to be Turned on Except Upon Order of Director of Public Works.

The water shall not be turned into any house or private service water pipe except upon the orders of the Director of Public Works or his or her designee, nor until the applicant shall have paid his or her water bill for the current term, nor until any unpaid water charges from said applicant or his or her predecessor in title or occupancy shall have paid any water bills accrued but shall have paid any water bills accrued but unpaid. The water supply to any

premises may be turned off for any failure to keep said service pipe or the sanitary sewer service line, or the connection of said water service pipe to the water meter, or of said sanitary sewer service line to the public sanitary sewer main in a proper state of repair. Plumbers are strictly prohibited from turning the water into any service water pipe, except upon the order and with the permission of the Director of Public Works or his or her designee.

(Ord. 55-76, J. 12, p. 1709, passed 9/13/76; Ord. No. O59-2018 , § 20, 6/11/18)

Sec. 50.270. - Fire Hydrants and Public Drinking Fountains.

No hydrant, except public drinking fountains or hydrant used for fire purposes shall be placed within the limits of any public street, and no drinking fountain or hydrant shall be erected for public use which has openings by which it can be used as a source of domestic supply.

(1919 Code, Sec. 248 (15); amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27)

Sec. 50.275. - Delinquent Water Bills; Charge.

All water charges shall be due and payable within 30 days following the date of the statement of such charges, and it shall be the duty of the Director of Finance to mail such statement to each consumer at the close of each billing period. If not sooner paid, any bill of any given consumer shall be considered delinquent after said 30 day period has expired, and a charge of the unpaid balance at a rate set forth in the Annual Fee Resolution shall be added to each subsequent bill until the entire arrearage has been paid and consumer's account is current. For billing purposes, water charges under this Chapter and sewer charges under Chapter 51 of this Code shall be cumulative and construed as one bill. For water charges that are subject to a payment plan agreement executed pursuant to Section 30.070(A)(2) of this Code, the payment period set forth in the payment plan agreement shall supersede the 30-day payment period set forth in this Section 50.275.

(Ord. 15-79, J. 14, p. 0667, passed 3/26/79, amended Ord. 13-84, J. 15, p. 520-521, passed 4/23/84, Ord. 35-03, J. 29, p. 134, passed 5/27/03, Ord. 60-09, J. 35, p. 189-192, passed 10/26/09; Ord. No. O59-2018 , § 21, 6/11/18)

Sec. 50.280. - Water Rates.

(A) All water taken from public water mains for private consumption shall be passed through a meter type and size approved by the Director of Public Works and charged for at adopted rates. Users within the corporate limits of the City of Highland Park shall be charged the appropriate rates established by the annual fee resolution.

(B) Nothing contained herein shall be deemed to limit the power or authority of the City of Highland Park to negotiate or fix rates, by contract or otherwise, for users outside of the City of Highland Park, other than those rates provided for herein.

(C) The rates established herein shall apply to all billings from and after July 1, 2001.

(Ord. 18-85, J. 16, p. 062, passed 5/13/85; Ord. 21-91, J. 18, p. 567, passed 6/24/91; Ord. 72-94, J. 21, p. 413, passed 12/12/94; Ord. 45-98, J. 24, p. 741, passed 6/23/98; Ord. 17-01, J. 27, p. 066-067, passed 4/9/01; Ord. 28-01, J. 27, p. 104-109, passed 5/14/01; Ord. No. O59-2018 , § 22, 6/11/18)

Sec. 50.285. - Leaks; Adjustment of Water Bills.

In instances where water is taken from public water mains for private consumption, in the event a leak occurs after the water has passed through a meter, upon receipt of an application by the consumer upon whose property such a leak has occurred, the Director of Public Works may approve an adjustment to the water bill for such property if: (A) the consumer provides a sworn affidavit from a plumber licensed in the State that the leak has been repaired and that there are no other known leaks on the property; and (B) no adjustment of bills pursuant to this Section 50.285 has been approved in the preceding five years for either the subject property or any then-current owner of the subject property. If the Director of Public Works approves such an adjustment, the consumer must pay the sum of: (i) the average amounts previously paid for water consumed upon the premises in which said leak occurred during the corresponding period during the previous five years; and (ii) one-half of the difference between the metered amount of water and such average amount.

(1919 Code, Sec. 251; amended Ord. —, J. 3, p. 353 1/2, passed 10/24/27; Ord. 36-92, J. 19, p. 177-179, passed 9/14/92, Ord. No. O59-2018 , § 23, 6/11/18)

Sec. 50.290. - Unauthorized Use of Water from City Source.

No person, except a regularly authorized agent of the City shall take water from any public or private hydrant, plug, hose-pipe, or fountain (except for fire purposes or for the use of the fire department in case of fire), or shall in any way use or take any water for private use, drinking at public drinking fountains excepted; without prior authorization by the City.

(1919 Code, Sec. 240; Ord. No. O59-2018 , § 24, 6/11/18)

Cross reference— Penalty, see Section 50.999.

Sec. 50.295. - Damaging Water Meter or Property.

No person shall willfully or carelessly break, injure, mar, deface, interfere with or disturb any building, machinery, apparatus, fence, fixture, crib, pier, piling, attachment or appurtenances of the water works of the City of Highland Park or any public or private hydrant, meter or meter box, or stopcock, stopcock-box, shut-off valve or shut-off box, water supply or service pipe, or any part thereof nor shall any person deposit anything in any meter box,

stopcock-box, or shut-off valve box, or commit any act tending to obstruct or impair the intended use of any of the above mentioned things, without the permission of the Director of Public Works or his or her designee or except in the bases hereinafter provided.

(1919 Code, Sec. 241; Ord. No. O59-2018 , § 25, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.297. - Obstruction of Fire Hydrants.

No person shall place any sign, mail box, fence or other structure or plant any tree, shrub or other planting within four feet of the center of a fire hydrant nor permit a fire hydrant to be overhung below a height of five feet (measured perpendicularly) from the ground immediately adjacent to such hydrant, nor obstruct the view of said fire hydrant from the public or private way or place adjacent thereto; provided, however, that plantings which comply with the four foot horizontal and five foot vertical clearances above required, and which leave a clear unobstructed field of vision of not less than 30 degrees from each side of a perpendicular line drawn from said hydrant to the nearest line of said right-of-way or curb, may be permitted.

(Ord. 46-78, J. 13, p. 2090, passed 9/26/78)

Sec. 50.298. - Obstruction of Water Meter Pits and Vaults.

No person shall place any sign, mail box, fence or other structure or plant any tree, shrub or other planting within two feet of the center of a water meter pit or vault, nor permit a water meter pit or vault to be overhung below a height of five feet (measured perpendicularly) from the ground immediately adjacent to such water meter pit or vault, nor obstruct the view of said water meter pit or vault from the public or private way or place adjacent thereto; provided, however, that plantings which comply with the two-foot horizontal and five-foot vertical clearances above required and which leave a clear unobstructed access path to such water meter pit or vault may be permitted. Water retention pits and vaults located within a building must not be obstructed, and must be heated sufficiently to avoid freezing.

(Ord. 46-78, J. 13, p. 2090, passed 9/26/78; Ord. No. O59-2018 , § 26, 6/11/18)

Sec. 50.299. - Connections in Meter Pits Prohibited.

No person may connect any pipe or other fixture or device within a water meter pit, except as approved in advance and in writing by the Director of Public Works.

(Ord. No. O59-2018 , § 27, 6/11/18)

Sec. 50.300. - Excavations in Streets; Permit.

No person shall make any excavations in any street for the purpose of laying water pipes, or tap any water or service pipe laid down, except upon receipt of, and in full compliance with, a permit issued by the Director of Public Works.

(1919 Code, Sec. 242; Ord. No. O59-2018 , § 28, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.305. - Reserved.

Editor's note— Ord. No. O59-2018 , § 46, adopted June 11, 2018 repealed § 50.305, which pertained to installation of fluoridation equipment and derived from 1919 Code, Sec. 243.

Sec. 50.310. - Excavations in Streets While Ground Frozen; Permit.

No person shall make any excavation in any street or highway within 4½ feet of any laid water pipe while the ground is frozen except upon receipt of, and in full compliance with, a permit issued by the Director of Public Works.

(1919 Code, Sec. 244; Ord. No. O59-2018 , § 29, 6/11/18)

Cross reference— Penalty, see Sec. 50.999.

Sec. 50.315, 50.320. - Reserved.

Editor's note— Ord. No. O59-2018 , adopted June 11, 2018 repealed §50.315 and 50.320. Former §50.315 pertained to illegal use of fire hydrants and derived from 1919 Code, Sec. 245; Former §50.320, which pertained to use of fire wrenches and derived from 1919 Code, Sec. 246.

Sec. 50.401. - Installation of Approved Backflow Prevention Device.

All plumbing installed within the City shall be installed in accordance with the city plumbing code, and, in addition, if in the judgement of the Director of Public Works an approved backflow prevention device is necessary for the safety of the public water supply system, the Director of Public Works shall give notice to the water customer to install such an approved device immediately. The water customer shall, at his or her own expense, install such an approved device at a location and in a manner approved by the Director of Public Works in accordance with all applicable statutes, ordinances, and regulations; and shall have inspections and tests made of such approved devices upon installation and at the frequency required by State law.

(Ord. 50-92, J. 19, p. 208-210, passed 10/26/92; Ord. No. O59-2018 , § 30, 6/11/18)

Sec. 50.402. - Unapproved Connection Prohibited.

It shall be unlawful for any person, firm or corporation to establish or permit to be established or maintain or permit to be maintained any connection whereby a private, auxiliary or emergency water supply other than the regular public water supply of the City enters the supply or distribution system of the City, unless such private, auxiliary or emergency water supply and the method of connection and the use of such supply shall have been approved by the Director of Public Works.

(Ord. 50-92, J. 19, p. 208-210, passed 10/26/92)

Sec. 50.403. - Survey of Public Water Supply.

The Director of Public Works or his or her designee shall cause surveys and investigations to be made of commercial, industrial and other properties served by the public water supply to determine whether actual or potential hazards to the public water supply may exist.

(Ord. 50-92, J. 19, p. 208-210, passed 10/26/92; Ord. No. O59-2018 , § 31, 6/11/18)

Sec. 50.404. - Inspection.

The Director of Public Works or his designee shall have the right to enter at any reasonable time any property served by a connection to the public water supply or distribution system of the City for the purpose of verifying the presence or absence of cross connection and substantiating information submitted by the customer regarding the required cross connection control inspection. On demand, the owner, lessee or occupant of any property so served shall furnish to the Director of Public Works or his designee any information which he may request regarding the piping system or systems or water use on such property. The refusal to furnish such information, when demanded, shall, within the discretion of the Director of Public Works, be deemed evidence of the presence of improper connections as provided in Sections 50.401 through 50.406 of the Highland Park Code.

(Ord. 50-92, J. 19, p. 208-210, passed 10/26/92)

Sec. 50.405. - Discontinuance of Service.

(A) After reasonable notice to the occupant thereof, the Director of Public Works is hereby authorized and directed to discontinue the water service to any property wherein any connection in violation of the provisions of Sections 50.401 through 50.406 of the City Code is known to exist, and to take such other precautionary measures as he may deem necessary to eliminate any danger of contamination of the public water supply

distribution mains. Water service to such a property shall not be restored until such conditions have been eliminated or corrected in compliance with the provisions of Sections 50.401 through 50.406 and until a reconnection fee equal to the appropriate water main tapping fee is paid to the City.

(B) Immediate disconnection with verbal notice can be effected when the Director of Public Works is assured that imminent danger of harmful contamination of the public water supply system exists. Such action shall be followed by written notification of the cause of disconnection.

(C) Immediate disconnection without notice to any party can be effected to prevent actual or anticipated contamination or pollution of the public water supply, provided that, in the reasonable opinion of the Director of Public Works or the state environmental protection agency, such action is required to prevent actual or potential contamination or pollution of the public water supply.

(D) Neither the City, the Director of Public Works, nor its agents or assigns shall be liable to any customer for any injury, damages or lost revenues which may result from termination of said customer's water supply in accordance with the terms of this Section, whether said termination was with or without notice, or for the resumption of water supply to the property.

(Ord. 50-92, J. 19, p. 208-210, passed 10/26/92; Ord. No. O59-2018 , § 32, 6/11/18)

Sec. 50.406. - Responsibility for Clean-Up.

In the event contamination of the potable water supply system occurs through illegal cross-connection or from an improperly installed, maintained, or repaired backflow prevention device, or the bypassing of a required backflow prevention device, the party responsible for such backsiphoned material or contamination must bear the cost of clean-up of the potable water supply system.

(Ord. 50-92, J. 19, p. 208-210, passed 10/26/92)

Sec. 50.500. - Use of Groundwater as a Potable Water Supply Prohibited.

(A) The use or attempt to use groundwater as a potable water supply from within the corporate limits of the City by the installation or drilling of wells or by any other method is prohibited including at points of withdrawal by the City.

(B) Any property in the City that, as of March 1, 2003, uses groundwater as a potable water supply may continue to use groundwater for that purpose only until the date that is the earlier to occur of (i) the date on which title to the property is transferred to a person or entity other than that which holds title on February 1, 2003, or (ii) repairs or improvements are made to the property that require the issuance of a plumbing, electrical, or building permit under the provisions of this Code. At such time, the use of groundwater as a potable water supply for such property must cease.

(Ord. 26-03, J. 29, p. 103-105, passed 3/10/03)

Sec. 50.600. - Bacteriological Analyses of Water Samples.

The Department of Public Works may conduct bacteriological analyses of water samples, upon payment of a laboratory analysis fee in the amount set forth in the Annual Fee Resolution.

(Ord. 77-09, J. 35, p. 304-308, passed 12/14/09)

Sec. 50.900. - Definitions.

(A) The language in the text of this Chapter shall be interpreted in accordance with the following rules of construction:

(1) The singular number includes the plural number, and the plural the singular;

(2) The word "shall" is mandatory; the word "may" is permissive; and

(3) The masculine gender includes the feminine and neuter.

(B) Whenever hereafter in this Chapter the following words and phrases are used, they shall, for the purposes of this Chapter, have the meanings respectively ascribed to them in this Subsection, except when the context otherwise indicates.

Air-conditioning system means one or more air conditioning units installed or constructed by or for the owner, lessee, or other occupant of a building or any portion thereof, designed and intended to operate either independently or as a single unit to provide cooled air to such building or any portion thereof, together with any or all of the following: piping for the intake of water and for the disposal of discharge water; the water regulating device or devices; the water conserving device or devices; the water meter and all valves and connections.

Air-conditioning unit means any device for cooling or dehumidification, or both, of air, in the operation of which water is used, provided the water for such operation is either furnished by the City or is discharged into the sewer system of the City.

City means the City of Highland Park, Lake County, Illinois.

City clerk means the City Clerk of the City.

City manager means the City Manager of the City.

Consumer means any person, firm, or corporation who receives water from the water supply system of the City.

Coordinator of the building division means the Coordinator of the Building Division of the City.

Director of public works means the Director of Public Works of the City.

Person means any and all persons, natural or artificial, including any individual, partnership, co-partnership, firm, company, limited liability company, joint stock company, municipal or private corporation, association, society, institution, enterprise, governmental agency, political subdivision, trust, estate, or other entity, or their legal representatives, agents, or assigns.

Potable water means any water used for human or domestic consumption, including, but not limited to, water used for drinking, bathing, swimming, washing dishes, or preparing foods.

Superintendent of water works means the Director of Public Works or his designee.

Ton of refrigeration means the heat required to melt ice at the rate of one ton in 24 hours. One compressor horsepower shall be considered equivalent to one ton of refrigeration.

Water conserving device means a cooling tower, spray pond, evaporative condenser or other equipment by which water is cooled and recirculated, thereby limiting the use of water from the City mains to that amount lost through evaporation.

Water regulating device means a regulating valve or other device, the purpose of which is to limit the maximum use of water to a predetermined rate.

(Ord. 867, J. 4, p. 867, passed 4/30/56; Ord. 36-92, J. 19, p. 177-179, passed 9/14/92; Ord. 26-03, J. 29, p. 103-105, passed 3/10/03)

Sec. 50.999. - Penalty.

(A) Whoever violates any of the provisions of Sections 50.001 through 50.020, or any regulations issued thereunder, upon conviction thereof, shall be punished by a fine of not less than $25.00 nor more than $500.00 for each offense. Each day such offense continues shall constitute a separate offense. In addition, the City Manager shall have the authority to limit or discontinue the water supply to any user who fails to comply with any water restrictions imposed hereunder with or without notice, until said user shall meet with such restrictions.

(B) Whoever violates, disobeys, omits, neglects or refuses to comply with or who resists the enforcement of any of the provisions of Sections 50.100 to 50.120, shall be fined not less than $50.00, nor more than $200.00 for each offense. Each day that a violation is permitted to exist shall constitute a separate offense. The Director of Public Works shall have the authority to discontinue the supply of water to any person, firm or corporation violating any of the provisions of or failing to comply immediately with any emergency water conservation regulation issued pursuant to the authority granted under Section 50.100 to 50.120.

(C) For a violation of any provisions of Sections 50.200 to 50.315, the City reserves the right, after due notice, to stop the supply of water. The water supply may not be restored until all back water rents, costs and the fee established by the Annual Fee Resolution to cover the costs of turning the water off and turning it on again have been paid.

(D) Whoever violates any of the rules and regulations for the government of water takers or plumbers specified in this Chapter or Section 50.200 to

50.315, shall in addition to the enforcement of the forfeitures, liabilities, stipulations and reservations therein contained, pay a fine of not less than $10 nor more than $200.00 for each offense.

(E) Whoever violates Section 50.500 of this Code shall be fined not less than $50.00, nor more than $500.00 for each offense. Each day that a violation is permitted to exist shall constitute a separate offense.

(1919 Code, Sec. 247 and 249; Ord. 867, J. 4, p. 867, passed 4/30/56; Ord. 878, J. 4, p. 878, passed 6/11/56; Ord. 15-79, J. 14, p. 0667, passed 3/26/79; Ord. 22-90, J. 18, p. 249, passed 5/14/90; Ord. 28-01, J. 27, p. 104-109, passed 5/14/01; Ord. 26-03, J. 29, p. 103-105, passed 3/10/03)

Water Billing

Water Service and Usage
The City of Highland Park provides water service to its residents and businesses, managing more than 10,000 water accounts. Beginning in 2014, the City embarked on a multiyear project to upgrade the water meter reading system from a manual read process to a fixed-base automated meter reading system. Meters are read through a series of data collectors placed strategically throughout the City and then imported into the Finance Department water billing system.

In 2018, the City launched an online customer portal, My Water Use, which allows residents to track water use, set alerts for possible leaks and see how their bill compares to their neighbors. For more information on the My Water Use program, click here.

My Water Use

Water Billing and Estimated Bills
Water bills are generated on a quarterly basis from actual meter readings. If an actual meter reading cannot be obtained, an estimated bill will be prepared based on the average consumption during previous similar periods. If there is no basis for estimating consumption, a minimum bill will be prepared. Learn how to understand your water bill here.

Failure to receive a bill does not exempt customer from penalty.

How to Pay Your Bill
There are several ways a resident can pay their water bill.

- Automatic payment – ACH plan

- Have your payments withdrawn automatically from your bank account. Payment is deducted on the due date of the bill.
- Enrollment form can be found here. Please complete and submit with a voided check to the Finance Department. Please note based on the date of enrollment, autopay may not be effective until the next billing cycle.

- Online payment
  - Pay Utility account and view account/transaction detail.
- Mail Processing Center
  - Mail payments to:
  - City of Highland Park - Finance Department
    PO Box 770
    Carol Stream, IL 600197-7700

- Drop Box
  - 24 Hours a day, 7 days a week; box is located adjacent to City Hall. Payments are collected the next business day.
- In Person
  - Residents may pay their bill at City Hall during Finance business hours.
  - City Hall - Finance Department
    1707 St. Johns Ave.
    Highland Park, IL 60035
    847.432.0800

Sign-up for E-Billing
In support of efforts to “Go Green”, the City of Highland Park is pleased to offer its customers the option to receive their water bill via e-mail, commonly known as E-bill. With E-billing, bills will be received via email and will no longer be sent by paper copy.

The E-bill enrollment form is available by clicking here. If you have any questions regarding enrollment please contact the Finance Department at 847.432.0800.

Online Payment Services for Utility Billing
Do not use this service to pay a shut-off notice. In the event of a pending shut-off please call the Finance Department at 847.432.0800 to make payment arrangements.
To begin using the Online Services system, please follow the instructions for registration listed below; if you have already registered go directly to the Online Services page. Residents may desire online access to their accounts, but are cautioned not to make online payments by credit card if they are enrolled in Automatic Bank Payment.

Registration Process
First time users will need a copy of their utility bill in order to register. The system will require you to enter your customer and utility account number.

1. From the Account Login screen, click on the "New User" button and enter your e-profile information to establish your eUser account. Once you have entered the information click on the "Next Step" button to confirm. Please make note of your eUser name and password for future account access.
2. If all the information is correct click "Register" to enter your water account information.
3. In order to connect your "eUser" logon to a utility account, additional information is required. Please enter both your customer number and utility account number on this form, for each account you wish to have online payment access. This information may be found in the "Account Information" section of the utility bill.
4. Once the customer number and account number information has been entered click the "Register with Utilities" button to establish your account access.
5. Upon successful registration you can view account summary information, make payments, view transactions or access usage charts.
6. Once you have logged on, the "eUser" information may be updated at any time by clicking on the "MyProfile" button at the top right of the page.

If you have any questions regarding registration or online payments, please contact the Finance Department at 847.432.0800.

Setup or Termination of Water/Sewer Service
If you are moving into a Highland Park property, the seller/owner will provide buyer/tenant information to setup the account. If you are moving out of a Highland Park property, you must schedule a meter reading at least 3 business days prior to closing. A final meter reading can be ordered by completing the Water Utility Form located here.

To schedule a final meter reading, call the Finance Department at 847.432.0800 or submit the completed form to finance@cityhpil.com or fax to 847.432.2617.

Current Water Fees

Type of Service	Fee
Residential water	$3.293 per unit (Rate per 100 cubic feet 6000 cubic feet or less, per quarter)
Residential water	$3.623 per unit (Rate per 100 cubic feet from 6001 to 8000 cubic feet, per quarter)
Residential water	$3.788 per unit (Rate per 100 cubic feet from 8001 or more cubic feet, per quarter)
Residential sewer	$6 per quarter and $1.30 per unit
Commercial water	$3.623 per unit (100 cubic feet)
Commercial sewer	$9 per quarter and $1.30 per unit

Stormwater utility fee base	$8.50 per month
Stormwater utility fee - Per impervious area unit (IAU) = (2,765 square feet of IAU)	$8.50 per month properties that have greater than one IAU are charged $8.50 per month multiplied by the number of IAUs calculated on the parcel
Low-income sewer	$2.25 per quarter
Water turn-on / turn-off fee	$50 per site visit
Delinquent Water Bill Charge (After 30 Days from Date of Statement)	10% of Unpaid Balance

Departments

City Manager's Office
Community Development
Finance
Fire
Police
Public Works

Frequent Searches

Employment
Events
Utilities
Refuse & Recycling
City Newsletters
Bid & RFP Opportunities

Quick Links

Meeting Agendas, Minutes and Videos
Property Search
City Code
Interactive Maps
Construction Projects
Policies
Public Safety Incident Map

1707 St Johns Avenue
Highland Park, Illinois 60035

HOURS
Many City services are available online and by mail. City Hall walk-in hours are 8:30 AM - 5 PM Tuesday - Friday, with appointments recommended. Appointments on Mondays, for time-sensitive transactions, may be available upon request.

City Manager's Office:
Monday: 8:00 AM - 5 PM, by appointment only
Tuesday - Friday, 8:00 AM - 5 PM, appointment recommended.

Finance Office:
Monday: 7:30 AM - 5 PM, by appointment only
Tuesday - Friday, 8:30 AM - 5 PM, appointment recommended.

Environment

Emails

City Hall: 847.432.0800
Police Non-Emergency: 847.432.7730

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Home

Resident

Business

Development

Government

APPENDIX 8

ANNUAL FINANCIAL REPORT

CITY OF HIGHLAND PARK ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR YEAR ENDED
DECEMBER 31, 2021

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

As of and for the Year Ended December 31, 2021

Prepared by Finance Department

Julie Logan, Finance Director

CITY OF HIGHLAND PARK

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City of Highland Park

1707 St. Johns Avenue
Highland Park, Illinois 60035
847.432.0800
cityhpil.com

June 3, 2022

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

This Annual Comprehensive Financial Report (Financial Report) details information from the City of Highland Park's audited financial statements for the fiscal year ending December 31, 2021. The Financial Report is prepared and published within six months of the close of the City's fiscal year, consistent with State law. Management is responsible for the contents of the Financial Report. 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, issued an unmodified opinion on the City's financial statements for the fiscal year ended December 31, 2021. 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 through 2022. The City took steps to ensure fiscal sustainability in 2020, 2021, 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. The City's revenue recovered faster than anticipated from the coronavirus pandemic economic decline, except for the Parking Fund, resulting in 2021 actual revenue 13% higher than 2020 revenue, although the City continued to conservatively manage its expenditures under its reduced budget. Parking Fund revenue continued to be negatively impacted by the coronavirus pandemic economic conditions, with underutilized parking lots from workers continuing to work from home and otherwise under use public transportation, consistent with national and regional trends. The City continues to monitor and curtail expenditures in the Parking Fund and will be assessing fund sustainability measures during its 2023 budget planning process.

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 30,176. 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, ordinances, and resolutions 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, while having 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 recovered faster than anticipated from the coronavirus pandemic economic decline and the City continues to realize strong economic conditions in construction and real estate, consumer spending, and business spending, with 2021 revenue resulting $9 million or 13% higher than 2020 revenue. 2021 revenue, reported on a budget basis, resulted $10.1 million higher than budget. The increase was significantly due continued strong economic conditions, recovery from the pandemic's negative economic impact on City revenue (including lagging property tax payments), and increased sales tax revenue from online sales. Year-to-year revenue improvements included sales taxes $4 million, charges for services $3 million, property tax $1.7 million, and real estate transfer tax $0.9 million, net of all other changes.

Sales were strong with sales tax revenue of $16.3 million in 2021, which was 32% and 21% higher than 2020 and the City's most recent 10-year average of $13.5 million, respectively, reflecting both strong economic recovery and increased sales tax revenue from online sales. 86% of the year-to-year improvement occurred in Drugs & Misc. Retail, Automotive and Filing Stations, Agriculture & All Others, and Manufacturers.

Real estate transfer tax revenue of $3.1 million and transaction of 789 continued strong with increases 37.3% and 12.4%, respectively, from 2020, after realizing a 37.6% increase in real estate transfer tax revenue from 2019 to 2020. The City has continued stability in property value with assessed valuation being relatively flat with 2020.

Retail occupancy increased to 91% at the close of 2021, from 85.3% at the start of 2021, reflecting a 5.7% decrease in vacancies. 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 2022 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. The average unemployment rate for the City of 2.5%, was well below the State of Illinois rate of 3.8% and the Lake County rate of 3.9%, as sourced from the Bureau of Labor Statistics. 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 $4-5 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 and facility improvements, committing $23.2 million in 2022 for a fire station replacement, street, bridge, sanitary sewer, ravine remediation, storm sewer, water utility, water meter replacement, and other infrastructure and facility 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, 2021, was $35.9 million, which represents 105% and 98% of 2021 actual and 2022 budgeted General Fund operating expenditures, respectively, 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 2022, the City budgeted a $1.2 million decrease in General Fund balance to pay for capital improvements, 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 $1.8 million decrease in net pension obligation 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 accelerated contributions through 2021, 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 $10.6 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 investing in infrastructure improvements consistent with its core priorities. 2021 was a busy year. Approximately 2,000 feet of new water main, 200 feet of new sanitary sewer, and new roadway and curbs were installed on Walker Avenue, St. Johns Avenue, and Lauretta Place. The upsized water main improves system water flow and exceeds hydrant fire flow capacity. The City began a two-year Clavey Road improvement project with completion of year one infrastructure elements, including removal and replacement of the bridge that carries Clavey Road over the Skokie River, construction of new water main, and construction of temporary pavement to maintain two-way traffic for construction operations. Approximately 5,344 feet of new asphalt roadway was constructed as part of the annual pavement rehabilitation program. The City upgraded the Hidden Ridge sanitary lift station with the addition of remote monitoring and a continuous operation generator. The City lined approximately 16,000 feet of sanitary and storm sewers. Lining of old clay sanitary sewers preserves pipe capacity and extends the sewer functional life 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 storm sewers, as needed, to meet the revised rainfall intensity design and the 10-year flooding standards, as part of the mentioned improvements projects. The City continued implementation of green infrastructure consistent with the City's sustainability goals by planting approximately 232 new trees, upgrading existing parking and street light metal halide bulbs to LED bulbs, and installation of permeable pavers at the Central Ave East-South public parking lot with placement of conduit for future electric-vehicle charging needs.

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 115 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.

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, 2020. This was the 37th 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. The City believes that its current Financial Report continues to meet the Certificate of Achievement program requirements and is 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, 2021. This was the 27th 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. The City believes that its annual budget document for the fiscal year beginning January 1, 2022 continues to meet the Distinguished Budget Presentation Award program requirements and 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

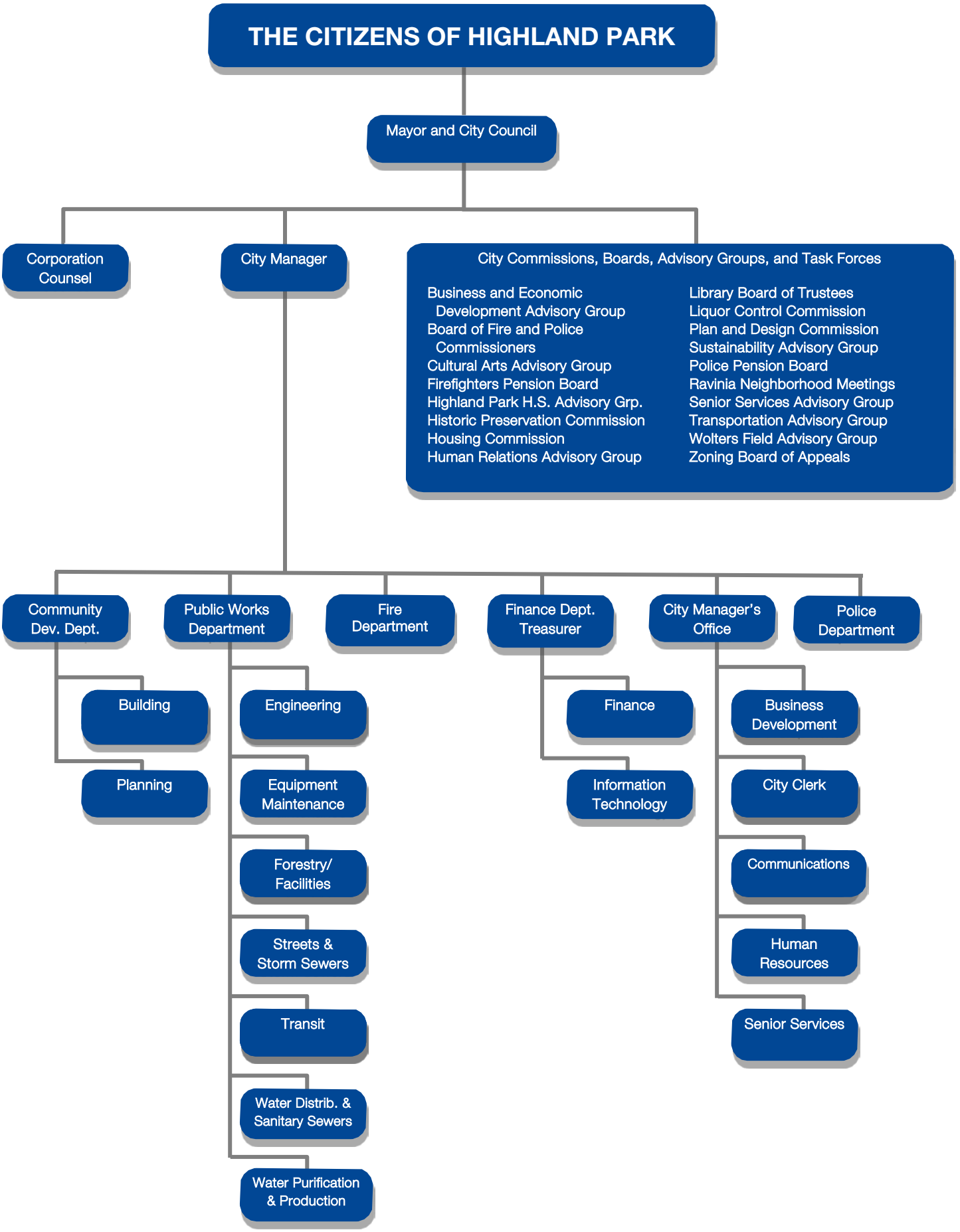
City of Highland Park
Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

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

PRINCIPAL OFFICIALS

City Council

Nancy R. Rotering
Mayor

Anthony E. Blumberg
Councilmember

Michelle Holleman
Councilmember

Annette Lidawer
Councilmember

Adam Stolberg
Councilmember

Kim Stone
Councilmember

Andrés Tapia
Councilmember

Independent Auditors' Report

To the City Council of
City of Highland Park, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Highland Park (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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 as of December 31, 2021 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.

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 opinions, insofar as it relates to the amounts included for the Highland Park Housing Associations are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Sunset Woods Association, a component of the Highland Park Housing Associations, were not audited in accordance with *Government Auditing Standards.*

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City'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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2022 on our consideration of the City'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'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's internal control over financial reporting and compliance.

Oak Brook, Illinois
June 3, 2022

Management's Discussion and Analysis (Unaudited)

This Discussion and Analysis is to offers readers a narrative overview and analysis of the financial activities of the City of Highland Park (City) as of and for the 12 months ended December 31, 2021. 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's revenue recovered faster than anticipated from the coronavirus pandemic economic decline, resulting in total 2021 revenue of $80.0 million, an increase of $9.4 million or 13% in comparison with the prior year. The increase was significantly due continued strong economic conditions, recovery from the pandemic's negative economic impact on City revenue (including lagging property tax payments), and increased sales tax revenue from online sales. Year-to-year revenue improvements included sales taxes $4 million, charges for services $3 million, property tax $1.7 million, and real estate transfer tax $0.9 million, net of all other changes. Parking Fund revenue continued to be negatively impacted by the coronavirus pandemic economic conditions, with underutilized parking lots from workers continuing to work from home and otherwise under use public transportation, consistent with national and regional trends. The City continues to monitor and curtail expenditures in the Parking Fund and will be assessing fund sustainability measures during its 2023 budget planning process.

- Total expenses were $60.5 million, an increase of $1.4 million in comparison with the prior year. The increase was significantly due to compensation plan and collective bargaining agreement adjustments, net of expenditure reductions across all operating units for asserted pandemic-related operational cost efficiencies and capital changes. The City took steps to ensure fiscal sustainability in 2020, 2021, 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.

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $100.6 million (net position). The City's net position improved $18.4 million as compared to the prior year, primarily due to the revenue improvements previously discussed, the City's active efforts to contain costs due to pandemic economic uncertainty, and the City's active efforts to reduce net pension and other long-term obligations.

- Governmental funds combined ending fund balance was $58.8 million, an increase of $11 million in comparison with the prior year, significantly due to the revenue improvements previously discussed, the City's active efforts to contain costs due to pandemic economic uncertainty, and the City's active efforts to reduce net pension and other long-term obligations. The resulting fund balances, as a percent of operating expenditures, continue to exceed the City's policy guidelines.

- Long-term liabilities were $141.4 million, a $5.4 million decrease in comparison with the prior year due a $1.8 million decrease in net pension liability from the City's accelerated contribution plan and investment gains and a $3.6 million decrease in long-term debt from payments and refunding. 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 2022, to minimize long-term pension cost to the property tax payer.

- The General Fund unrestricted and unassigned fund balance was $35.9 million, which represents 105% and 98% of 2021 actual and 2022 budgeted General Fund operating expenditures, respectively, exceeding the City's policy guidelines established by the City Council. As part of its 2022 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 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 legally separate component units, for which the City is financially accountable. Financial information for component units is reported separately from the financial information presented for the primary government. The government-wide financial statements can be found on pages 15-18 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 2021. 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 19-22 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. 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 23-27 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 28-29 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 30-92 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 $100.6 million (net position). The City's net position improved $18.4 million, as compared to the prior year, primarily due to revenue improvements from continued strong economic conditions, recovery from the pandemic's negative economic impact on City revenue (including lagging property tax payments), and increased sales tax revenue from online sales; the City's active efforts to contain costs due to pandemic economic uncertainty; and the City's active efforts to reduce net pension and other long-term obligations.

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 $29.8 million as of December 31, 2021, which improved $4.7 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, 2020 and 2021
(in Millions – Rounded)

	Governmental Activities			Business-Type Activities			Total Primary		
	2020	2021	Change	2020	2021	Change	2020	2021	Change
Current and Other Assets	$78.6	$96.6	$17.9	$8.1	$10.5	$2.4	$86.7	$107.0	$20.3
Capital Assets	83.4	82.3	(1.1)	78.1	79.1	1.0	161.5	161.4	(0.1)
Total Assets	**162.0**	**178.9**	**16.9**	**86.2**	**89.5**	**3.3**	**248.2**	**268.4**	**20.2**
Deferred Outflows related to Pensions	7.1	8.8	1.7	0.6	0.4	(0.2)	7.7	9.1	1.5
Other Deferred Outflows	9.2	8.3	(1.0)	0.9	0.8	(0.1)	10.2	9.1	(1.1)
Deferred Outflows of Resources	**16.3**	**17.1**	**0.7**	**1.5**	**1.1**	**(0.4)**	**17.8**	**18.2**	**0.4**
Long-Term Liabilities Outstanding	102.2	99.4	(2.8)	44.6	42.0	(2.7)	146.8	141.4	(5.4)
Other Liabilities	3.4	6.3	2.8	0.3	0.6	0.3	3.8	6.9	3.1
Total Liabilities	**105.6**	**105.7**	**0.1**	**45.0**	**42.6**	**(2.4)**	**150.6**	**148.3**	**(2.3)**
Deferred Inflows of Resources	**32.1**	**35.4**	**3.3**	**1.2**	**2.3**	**1.1**	**33.3**	**37.7**	**4.4**
Net Position:									
Net Investment in Capital Assets	74.3	73.7	(0.6)	37.4	40.7	3.3	111.7	114.4	2.7
Restricted	5.0	13.8	8.8	-	2.3	2.3	5.0	16.1	11.1
Unrestricted	(38.7)	(32.6)	6.1	4.2	2.8	(1.4)	(34.5)	(29.8)	4.7
Total Net Position	**$40.6**	**$54.9**	**$14.2**	**$41.6**	**$45.8**	**$4.2**	**$82.2**	**$100.7**	**$18.4**

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 activities, with positive balances for all three categories for business-type activities as of December 31, 2021. The negative unrestricted

net position in governmental activities is due to net pension and OPEB obligations 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 68-90 of this report.

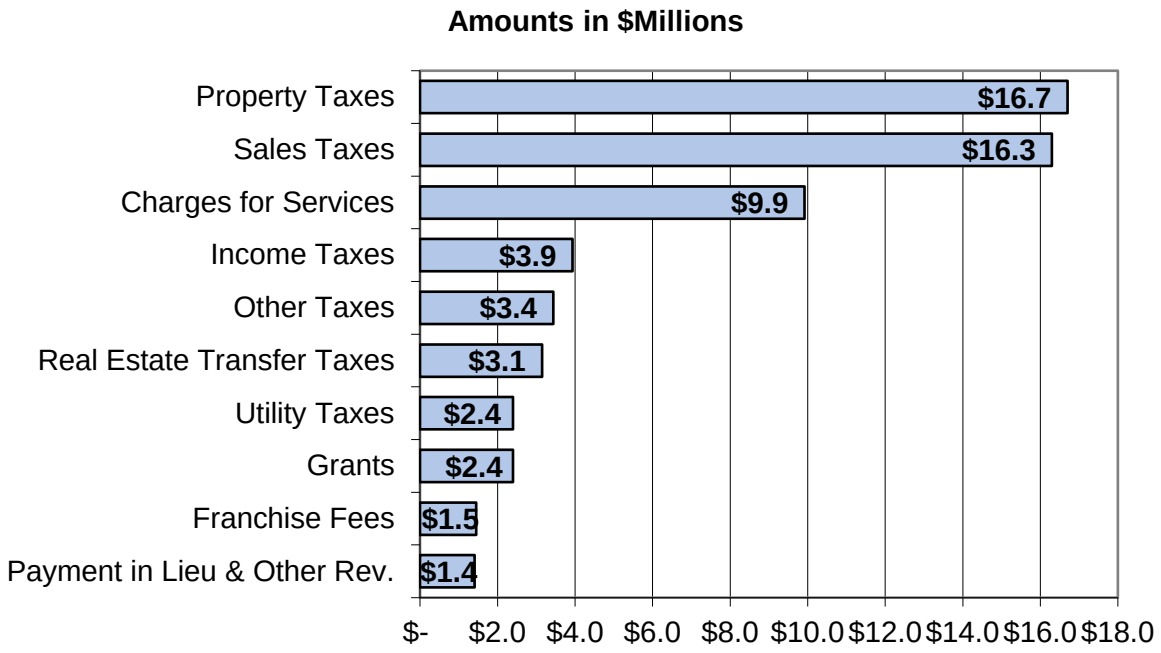
Condensed Statement of Activities
as of December 31, 2020 and 2021
(in Millions – Rounded)

	Government Activities		Business Activities		Total Primary Government		
	2020	2021	2020	2021	2020	2021	Change
Program Revenues:							
Charges for Services	$7.5	$9.9	$15.7	$16.3	$23.2	$26.3	$3.1
Operating Grants	0.1	0.1	-	-	0.1	0.1	(0.0)
Capital Grants	0.3	0.2	-	-	0.3	0.2	(0.1)
General Revenues:							
Property Taxes	15.0	16.7	-	-	15.0	16.7	1.7
Sales Taxes	12.3	16.3	-	-	12.3	16.3	4.0
Other Taxes	12.3	14.4	-	-	12.3	14.4	2.1
Payment in Lieu of Taxes	0.8	1.0	-	-	0.8	1.0	0.2
Other	1.6	0.4	0.1	-	1.7	0.4	(1.3)
Total Revenues	**53.6**	**61.2**	**16.0**	**17.8**	**69.6**	**79.0**	**9.4**
Expenses:							
Public Safety	24.9	24.5	-	-	24.9	24.5	(0.4)
Public Works	6.9	8.1	-	-	6.9	8.1	1.2
General Government	6.5	6.8	-	-	6.5	6.8	0.3
Economic/Physical Development	6.0	5.5	-	-	6.0	5.5	(0.4)
Transit	1.0	1.6	-	-	1.0	1.6	0.7
Commissions	0.1	0.1	-	-	0.1	0.1	-
Interest	0.3	0.2	-	-	0.3	0.2	(0.1)
Water	-	-	8.3	8.2	8.3	8.2	(0.2)
Sewer	-	-	4.6	4.8	4.6	4.8	0.3
Parking	-	-	0.6	0.6	0.6	0.6	-
Total Expenses	**45.7**	**46.9**	**13.5**	**13.6**	**59.2**	**60.6**	**1.3**
Change in Net Position	**$7.9**	**$14.2**	**$2.4**	**$4.2**	**$10.4**	**$18.4**	**$8.0**

Total revenue was $80.0 million, an increase of $9.4 million or 13% in comparison with the prior year. The increase was significantly due continued strong economic conditions, recovery from the pandemic's negative economic impact on City revenue (including lagging property tax payments), and increased sales tax revenue from online sales.

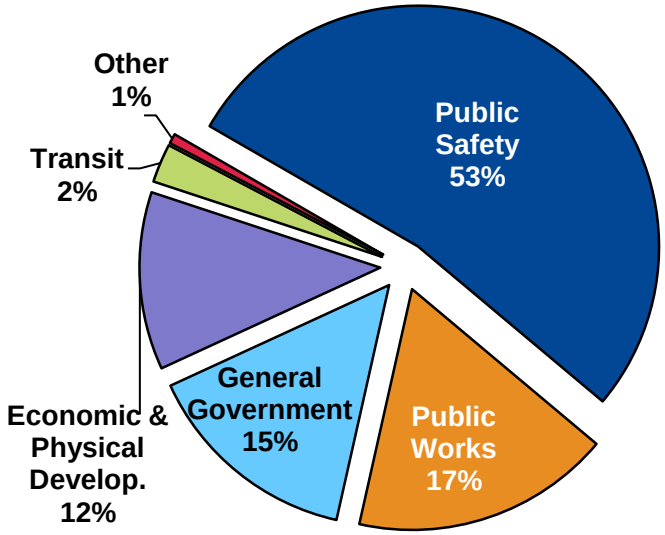
Total expenses were $60.5 million, an increase of $1.4 million in comparison with the prior year. The increase was significantly due to compensation plan and collective bargaining agreement adjustments, net of expense reductions across all operating units for asserted pandemic-related operational cost efficiencies and capital changes. The City took steps to ensure fiscal sustainability in 2020, 2021, 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; and reducing the City's work force.

Revenues by Source — Governmental Activities



Property taxes, sales taxes, and charges for services account for the greatest proportion of funding for governmental activities, followed by income taxes and real estate transfer and other taxes. 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 continued response plan, to the pandemic's prior year 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 in 2020, with a reduced cost structure carried into 2021.

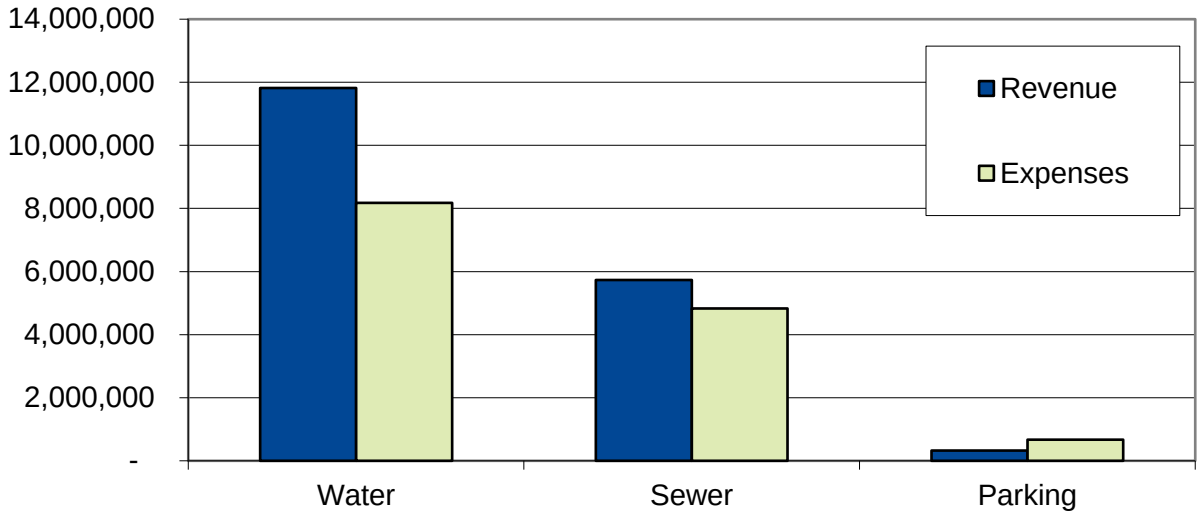
Expenses by Activity — Governmental Activities



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 contained expenditures across all operating units due to continued asserted pandemic-related operational cost efficiencies and capital changes.

Business-Type Activities

Business-type activities improved the City's net position by $4.2 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 $3.6 million and $0.9 million, respectively, and the Parking Fund net position was lower by $0.3 million. Water and Sewer Funds were higher due to active pursuit of grants to offset City costs, recovery from the pandemic's negative economic impact on City revenue, the City's active efforts to contain costs due to pandemic economic uncertainty, and the City's active efforts to reduce net pension and other long-term obligations. Parking Fund revenue continued to be negatively impacted by the coronavirus pandemic economic conditions, with underutilized parking lots from workers continuing to work from home and otherwise under use public transportation, consistent with national and regional trends. The City continues to monitor and curtail expenditures in the Parking Fund and will be assessing fund sustainability measures during its 2023 budget planning process.

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.

Governmental funds combined ending fund balance was $58.8 million, an increase of $11 million in comparison with the prior year, significantly due to the revenue improvements previously discussed, the City's active efforts to contain costs due to pandemic economic uncertainty, and the City's active efforts to reduce net pension and other long-term obligations. The resulting fund balances, as a percent of operating expenditures, continue to exceed the City's policy guidelines.

The General Fund is the primary operating fund of the City. Of the total fund balance, $35.9 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 2021 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 pandemic economic uncertainty.

Unassigned fund balance represents 105% and 98% of 2021 actual and 2022 budgeted General Fund operating expenditures, respectively, exceeding the City's policy guidelines set by the City Council. As part of its 2022 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.

Committed fund balance totaling $2.9 million in the nonmajor governmental funds is not available for discretionary spending as it is targeted for transportation and sustainability initiatives. The City reports an assigned fund balance of $10.9 million in the General Fund to meet future obligations for other post-employment benefits and capital projects. Please refer to page 19 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 $1.9 million at December 31, 2021, greater than the City's target of zero. During 2021, the fund balance decreased $0.3 million due the timing of infrastructure capital improvements consistent with the City's capital improvement plan.

Nonmajor governmental funds (NMGF) combined fund balance of $10.1 million at year-end improved $3.2 million from the prior year, due to pandemic-related cost containment in all funds and 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 and Multi-Modal Transportation Funds are included in NMFG and had total fund balances of $0.9 million and $2 million, respectively.

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 $21.5 million, $21.6 million, and $2.6 million, respectively. The improvement in net position for proprietary funds, combined, was $4.2 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 revenue was higher than budget by $9 million due to continued strong economic conditions, recovery from the pandemic's negative economic impact on City revenue, increased sales tax revenue from online sales, and active pursuit of grants to offset the pandemic's negative economic impact on prior year City revenue. The most significant changes were municipal sales tax $3.8 million, real estate transfer tax $1.1 million, grants $1.1 million, state income tax $0.9 million, other taxes $1.1 million, and licenses and permits $0.7 million.

Actual expenditures were lower than original and amended final budget by $1.5 million and $2.6 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 in 2020, with a reduced cost structure carried into 2021. General Government, Public Safety, and Public Works accounted for 96% of the $2.6 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, 2021 was $161.4 million net of accumulated depreciation.

A $1.5 million reduction in buildings and improvements resulted from $2.6 million of deprecation, net of $1.1 million of net new improvements. A $1.3 million increase in buildings and equipment resulted from $1.8 million of net improvements, net of $0.5 million of deprecation. A $2.9 million decrease in infrastructure resulted from $4.4 million of deprecation, net of $1.5 million of improvements. A $3.1 million increase in construction in progress resulted from projects which started prior to or during 2021 and will be completed in 2022. 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, 2020 and 2021
(in Millions – Rounded)

	Government Activities		Business Activities		Total Primary Government		
	2020	2021	2020	2021	2020	2021	Change
Land	$13.1	$13.1	$1.4	$1.4	$14.5	$14.5	$0.0
Buildings & improvements	35.7	34.4	35.0	34.8	70.7	69.2	(1.5)
Machinery & equipment	6.4	7.2	1.0	1.5	7.4	8.7	1.3
Infrastructure	26.9	25.4	40.3	38.9	67.2	64.3	(2.9)
Construction in progress	1.3	2.2	0.4	2.5	1.7	4.7	3.0
Total	**$83.4**	**$82.3**	**$78.1**	**$79.1**	**$161.5**	**$161.4**	**($0.1)**

Total Long-Term Debt Outstanding
as of December 31, 2020 and 2021
(in Millions – Rounded)

Long-term debt. At the end of 2021, long-term debt outstanding was $49.7 million, of which $8.8 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.

	Government Activities		Business Activities		Total Primary Government		
	2020	2021	2020	2021	2020	2021	Change
General Obligation Debt	$9.8	$8.8	$39.0	$36.7	$48.8	$45.5	($3.3)
IEPA Loan Payable	-	-	4.5	4.2	4.5	4.2	(0.3)
Total Long-term Debt	**$9.8**	**$8.8**	**$43.5**	**$40.9**	**$53.3**	**$49.7**	**($3.6)**
Net Pension Obligation	70.3	68.5	-	-	70.3	68.5	(1.8)
Other Long-term Liabilities	22.1	22.1	1.1	1.1	23.2	23.2	(0.0)
Total Long-term Liabilities	**$102.2**	**$99.4**	**$44.6**	**$42.0**	**$146.8**	**$141.4**	**($5.4)**

Total long-term debt decreased by $3.6 million due to payments consistent with the City's debt service schedule for previously issued debt and a 2021 debt refunding of the City's originally issued general obligation bonds, series 2013A and 2014. The refunding results in nominal debt service savings of $1.6 million over 10 years, worth $1.4 million 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 $1.8 million decrease in net pension liability resulted from the City's accelerated contribution plan and investment gains. 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 strong, with significant revenue growth in 2021 returning to historical gradual annual revenue growth trends in future years, driven by the economic climate. The City experienced strength in sales tax, charges for services, property tax, real estate transfer tax, building permits, and all other taxes. Retail occupancy increased to 91% at the close of 2021, from 85.3% at the start of 2021, reflecting a 5.7% decrease in vacancies. Property and sales tax continue to be the largest revenue sources for general fund operations, along with charges for services, income tax, and other general taxes. The City continues to monitor 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. The City 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 of 2.5%, was well below the State of Illinois rate of 3.8% and the Lake County rate of 3.9%, as sourced from the Bureau of Labor Statistics.
- 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 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.

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 2022-2031, developed as part of the 2022 Budget. Included in the 2022 budget are investments into City facilities and equipment, HPMove improvements, tree replacement, and funding for other post-employment benefits.

The City's 2022 budget reflects a balanced operating budget with revenue and expenditure changes which are consistent with recovery from the coronavirus pandemic economic decline. The changes reflect a conservative increase in service and staffing following the 2020-2021 staffing reduction of 26.8 FTE employees, contained operating costs, and capital changes, due to the City's economic response plan to the negative impact of the pandemic on City revenue. Changes are detailed in the 2022 Budget document, which can be found on the City's website. All City staff remain committed to providing responsive and high quality customer service.

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, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	Highland Park Public Library	Highland Park Housing Associations
ASSETS					
Cash	$ 63,003,579	$ 5,604,532	$ 68,608,111	$ 2,164,624	$ 1,840,693
Investments	-	-	-	3,206,000	-
Receivables (net)					
Property taxes	17,109,910	-	17,109,910	5,305,573	-
Motor fuel tax allotments	221,499	-	221,499	-	-
Intergovernmental	5,472,397	-	5,472,397	-	-
Loans	237,500	-	237,500	-	-
Accounts	1,163,414	2,553,291	3,716,705	-	53,967
Other	1,787,058	-	1,787,058	1,063	8,181
Prepaid items	653,306	-	653,306	1,433	53,370
Deposits	193,291	-	193,291	-	-
Net pension asset	6,735,441	2,292,369	9,027,810	1,758,168	-
Restricted assets	-	-	-	-	642,021
Capital Assets					
Capital assets not being depreciated	15,267,470	3,874,855	19,142,325	500,000	-
Capital assets being depreciated, net	67,040,372	75,219,987	142,260,359	6,524,433	3,606,042
Total Assets	178,885,237	89,545,034	268,430,271	19,461,294	6,204,274
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	-	416,730	416,730	-	-
Deferred outflows related to pensions	8,767,241	369,620	9,136,861	283,486	-
Deferred outflows related to OPEB	8,288,283	348,162	8,636,445	168,168	-
Total Deferred Outflows of Resources	17,055,524	1,134,512	18,190,036	451,654	-
LIABILITIES					
Accounts payable	3,463,379	513,686	3,977,065	75,417	39,032
Accrued payroll	204,569	25,296	229,865	45,758	-
Accrued interest payable	689	10,673	11,362	-	16,605
Due to fiduciary funds	142,917	-	142,917	-	-
Unearned revenues	1,807,276	48,009	1,855,285	-	31,559
Deposits	632,970	38,000	670,970	-	-
Noncurrent Liabilities					
Due within one year	1,040,401	2,506,417	3,546,818	50,000	513,885
Due in more than one year	98,399,389	39,448,125	137,847,514	1,225,133	3,901,391
Total Liabilities	105,691,590	42,590,206	148,281,796	1,396,308	4,502,472
DEFERRED INFLOWS OF RESOURCES					
Property taxes levied for future periods	16,777,600	-	16,777,600	5,194,900	-
Deferred inflows related to pensions	17,623,732	2,193,058	19,816,790	1,682,001	-
Deferred gain on refunding	-	80,950	80,950	-	-
Deferred inflows related to OPEB	969,948	40,744	1,010,692	19,680	-
Total Deferred Inflows of Resources	35,371,280	2,314,752	37,686,032	6,896,581	-

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF NET POSITION
As of December 31, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Totals	Highland Park Pbulic Library	Highland Park Housing Associations
NET POSITION					
Net investment in capital assets	$ 73,684,327	$ 40,672,937	$114,357,264	$ 6,299,433	$ (809,234)
Restricted for					
Economic development	2,825,731	-	2,825,731	-	-
Public safety	617,396	-	617,396	-	-
Streets	383,605	-	383,605	-	-
Affordable housing	2,386,240	-	2,386,240	-	-
Municipal retirement	6,735,441	2,292,369	9,027,810	-	-
Library materials	-	-	-	47,963	-
Working cash	-	-	-	375,007	-
Capital projects	834,730	-	834,730	-	-
Unrestricted (deficit)	(32,589,579)	2,809,282	(29,780,297)	4,897,656	2,511,036
TOTAL NET POSITION	$ 54,877,891	$ 45,774,588	$100,652,479	$ 11,620,059	$ 1,701,802

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	$ 6,795,345	$ 3,837,328	$ 395,799	$ -
Public safety	24,534,088	3,080,967	16,700	-
Public works	8,089,501	311,771	1,820,006	214,957
Transit	1,633,403	1,101,609	-	-
Commissions	77,042	-	-	-
Economic and physical development	5,546,643	1,588,169	-	-
Interest and fiscal charges	230,593	-	-	-
Total Governmental Activities	46,906,615	9,919,844	2,232,505	214,957
Business-type Activities				
Water	8,180,339	11,146,891	661,745	-
Sewer	4,833,353	4,919,853	797,512	-
Motor Vehicle Parking System	634,908	281,720	-	-
Total Business-type Activities	13,648,600	16,348,464	1,459,257	-
Total Primary Government	$ 60,555,215	$ 26,268,308	$ 3,691,762	$ 214,957
Component Unit				
Highland Park Public Library	$ 4,095,366	$ 31,719	$ 115,879	$ -
Highland Park Housing Associations	1,488,729	1,549,875	-	-
Total Component Unit	$ 5,584,095	$ 1,581,594	$ 115,879	$ -
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				
Payment in lieu of taxes and affordable units				
Interest income				
Gain on disposal of assets				
Miscellaneous				
Total General Revenues				
Change in net position				
NET POSITION - 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
$ (2,562,218)	$ -	$ (2,562,218)	$ -	$ -
(21,436,421)	-	(21,436,421)	-	-
(5,742,767)	-	(5,742,767)	-	-
(531,794)	-	(531,794)	-	-
(77,042)	-	(77,042)	-	-
(3,958,474)	-	(3,958,474)	-	-
(230,593)	-	(230,593)	-	-
(34,539,309)	-	(34,539,309)	-	-
-	3,628,297	3,628,297	-	-
-	884,012	884,012	-	-
-	(353,188)	(353,188)	-	-
-	4,159,121	4,159,121	-	-
(34,539,309)	4,159,121	(30,380,188)	-	-
-	-	-	(3,947,768)	-
-	-	-	-	61,146
-	-	-	(3,947,768)	61,146
16,703,364	-	16,703,364	5,222,113	-
11,431,341	-	11,431,341	-	-
4,867,917	-	4,867,917	-	-
2,401,266	-	2,401,266	-	-
1,452,817	-	1,452,817	-	-
3,147,040	-	3,147,040	-	-
2,877,527	-	2,877,527	-	-
3,934,568	-	3,934,568	-	-
559,662	-	559,662	78,748	-
1,036,470	-	1,036,470	-	-
265,979	24,502	290,481	10,067	679
102,497	-	102,497	-	-
6,077	-	6,077	-	1,380
48,786,525	24,502	48,811,027	5,310,928	2,059
14,247,216	4,183,623	18,430,839	1,363,160	63,205
40,630,675	41,590,965	82,221,640	10,256,899	1,638,597
$ 54,877,891	$ 45,774,588	$ 100,652,479	$ 11,620,059	$ 1,701,802

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	General	Public Safety Pension Levy	Capital Projects	Nonmajor Governmental Funds	Totals
ASSETS					
Cash	$ 45,747,234	$ -	$ 1,865,958	$ 9,688,343	$ 57,301,535
Receivables (net)					
Property taxes	5,280,213	6,404,657	-	5,425,040	17,109,910
Motor fuel tax allotments	-	-	-	221,499	221,499
Intergovernmental	5,420,956	-	51,441	-	5,472,397
Loans	-	-	237,500	-	237,500
Accounts	951,302	-	35,538	148,997	1,135,837
Other	938,723	8,260	-	-	946,983
Deposits	-	-	-	193,291	193,291
Prepaid items	3,454	-	-	359	3,813
Due from other funds	135,484	-	-	-	135,484
TOTAL ASSETS	$ 58,477,366	$ 6,412,917	$ 2,190,437	$ 15,677,529	$ 82,758,249
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	$ 2,907,795	$ -	$ 233,558	$ 117,083	$ 3,258,436
Accrued liabilities	179,617	-	-	15,858	195,475
Due to other funds	-	-	-	135,484	135,484
Unearned revenue	1,796,219	-	-	-	1,796,219
Deposits	629,970	-	3,000	-	632,970
Due to fiduciary funds	-	142,917	-	-	142,917
Total Liabilities	5,513,601	142,917	236,558	268,425	6,161,501
Deferred Inflows of Resources					
Property taxes levied for future periods	5,167,700	6,270,000	-	5,339,900	16,777,600
Unavailable revenue for other	984,000	-	41,965	18,257	1,044,222
Total Deferred Inflows of Resources	6,151,700	6,270,000	41,965	5,358,157	17,821,822
Fund Balances					
Nonspendable for prepaid items	3,454	-	-	359	3,813
Restricted for					
Streets	-	-	-	383,605	383,605
Public safety	-	-	-	617,037	617,037
Economic development	-	-	-	2,825,731	2,825,731
Affordable housing	-	-	-	2,386,240	2,386,240
Capital projects	-	-	1,013,889	-	1,013,889
Committed for					
Sustainability initiatives	-	-	-	927,739	927,739
Transportation	-	-	-	1,978,382	1,978,382
Assigned for					
Capital projects	315,569	-	898,025	-	1,213,594
Other postemployment benefits	10,578,800	-	-	-	10,578,800
Debt service	-	-	-	931,854	931,854
Unassigned for					
General fund	35,914,242	-	-	-	35,914,242
Total Fund Balances	46,812,065	-	1,911,914	10,050,947	58,774,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 58,477,366	$ 6,412,917	$ 2,190,437	$ 15,677,529	$ 82,758,249

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, 2021

Total Fund Balances - Governmental Funds	$	58,774,926
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.		82,307,842
Less amount reported in internal service funds below.		(5,660,076)
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.		1,044,222
Unamortized premiums/discounts on bonds are reported as liabilities on the statement of net position.		(282,763)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position.		(689)
Net pension assets related to pensions do not relate to current financial resources and are not reported in the governmental funds.		6,735,441
Less amount reported in internal service funds below		(873,858)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		8,767,241
Less amount reported in internal service funds below.		(140,898)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.		(17,623,732)
Less amount reported in internal service funds below.		835,999
Deferred outflows related to other post employment benefits do not relate to current financial resources and are not reported in the governmental funds.		8,288,283
Less amount reported in internal service funds below.		(185,974)
Deferred inflows related to other post employment benefits do not relate to current financial resources and are not reported in the governmental funds.		(969,948)
Less amount reported in internal service funds below.		21,764
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		(8,525,871)
Net pension liability - Firefighters' Pension		(32,402,844)
Net pension liability - Police Pension		(36,145,974)
Claims payable		(169,117)
Total OPEB liability		(20,361,264)
Compensated absences		(1,551,957)
Less amount reported in internal service funds below.		548,349
The net position of the internal service funds are included in the governmental activities in the statement of net position.		12,448,789
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	54,877,891

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, 2021

	General	Public Safety Pension Levy	Capital Projects	Nonmajor Governmental Funds	Totals
REVENUES					
Property taxes	$ 5,222,664	$ 6,359,025	$ -	$ 5,121,675	$ 16,703,364
Personal property replacement tax	559,662	-	-	-	559,662
Licenses and permits	1,984,272	-	-	73,033	2,057,305
Public charges for services	2,440,017	-	-	1,259,689	3,699,706
Municipal sales tax	15,815,554	-	483,704	-	16,299,258
Utility taxes	2,401,266	-	-	-	2,401,266
Real estate transfer tax	3,147,040	-	-	-	3,147,040
Intergovernmental	412,499	-	-	184,415	596,914
State income tax	3,934,568	-	-	-	3,934,568
Franchise tax	1,452,817	-	-	-	1,452,817
Payments in lieu of taxes and affordable units	436,470	-	-	1,018,750	1,455,220
Other taxes	2,223,669	-	-	469,443	2,693,112
Reimbursements	1,362,400	-	215,217	1,163,963	2,741,580
Fines, forfeitures and penalties	174,294	-	-	222	174,516
Motor fuel tax	-	-	-	1,820,006	1,820,006
Interest income	197,235	-	4,138	14,431	215,804
Net change in fair value of investments	29,977	-	-	-	29,977
Miscellaneous	440,938	-	-	72,191	513,129
Total Revenues	42,235,342	6,359,025	703,059	11,197,818	60,495,244
EXPENDITURES					
Current					
General government	6,420,169	-	-	-	6,420,169
Public safety	21,713,781	6,359,025	-	221,253	28,294,059
Public works	2,575,490	-	-	2,740,474	5,315,964
Transit	-	-	-	1,007,116	1,007,116
Commissions	77,042	-	-	-	77,042
Economic and physical development	4,064,431	-	-	311,618	4,376,049
Capital Outlay	-	-	2,844,551	-	2,844,551
Debt Service					
Principal	-	-	-	925,010	925,010
Interest and fiscal charges	-	-	-	275,618	275,618
Total Expenditures	34,850,913	6,359,025	2,844,551	5,481,089	49,535,578
Excess (deficiency) of revenues over expenditures	7,384,429	-	(2,141,492)	5,716,729	10,959,666
OTHER FINANCING SOURCES (USES)					
Transfers in	695,000	-	1,814,000	24,772	2,533,772
Transfers out	(34,772)	-	-	(2,521,660)	(2,556,432)
Sales of capital assets	15,000	-	-	-	15,000
Total Other Financing Sources (Uses)	675,228	-	1,814,000	(2,496,888)	(7,660)
Net Change in Fund Balances	8,059,657	-	(327,492)	3,219,841	10,952,006
FUND BALANCES - Beginning of Year	38,752,408	-	2,239,406	6,831,106	47,822,920
FUND BALANCES - END OF YEAR	$ 46,812,065	$ -	$ 1,911,914	$ 10,050,947	$ 58,774,926

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, 2021

Net change in fund balances - total governmental funds	$ 10,952,006
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	1,509,341
Depreciation is reported in the government-wide financial statements	(3,776,823)
Net book value of assets retired	(8,155)
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.	(909,886)
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	925,010
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	66,351
Net pension asset - IMRF	4,599,724
Net pension liability - Police Pension	2,382,054
Net pension liability - Firefighters' Pension	(658,680)
Total OPEB liability	(91,847)
Deferred outflows of resources related to OPEB	(949,251)
Deferred inflows of resources related to OPEB	(500,231)
Deferred outflows of resources related to pensions	1,748,407
Deferred inflows of resources related to pensions	(2,395,677)
Accrued interest on debt	72
Deferred charge on refunding	(11,460)
The change in claims payable is shown as an expense on the statement of activities.	129,787
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.	1,180,060
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 14,247,216

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	Governmental Activities - Internal Service Funds
ASSETS					
Current Assets					
Cash and cash equivalents	$ 3,952,358	$ 1,411,309	$ 240,865	$ 5,604,532	$ 5,702,044
Accounts receivable (net)	1,793,001	736,054	24,236	2,553,291	867,652
Prepaid items	-	-	-	-	649,493
Total Current Assets	5,745,359	2,147,363	265,101	8,157,823	7,219,189
Noncurrent Assets					
Net pension asset	1,587,984	704,385	-	2,292,369	873,858
Capital Assets					
Land	66,958	-	1,280,442	1,347,400	-
Construction in progress	1,334,613	1,192,842	-	2,527,455	734,461
Infrastructure	-	-	608,196	608,196	-
Parking facilities and equipment	-	-	4,611,241	4,611,241	-
Water and sewer plant and equipment	94,176,981	80,460,094	-	174,637,075	-
Improvements other than buildings	-	663,905	-	663,905	-
Machinery, equipment and furnishings	-	-	-	-	14,574,455
Less: Accumulated depreciation	(41,646,453)	(59,615,310)	(4,038,667)	(105,300,430)	(9,648,840)
Total Noncurrent Assets	55,520,083	23,405,916	2,461,212	81,387,211	6,533,934
Total Assets	61,265,442	25,553,279	2,726,313	89,545,034	13,753,123
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on advanced refunding	416,730	-	-	416,730	-
Deferred outflows related to pensions	256,046	113,574	-	369,620	140,898
Deferred outflows related to OPEB	207,746	94,331	46,085	348,162	185,974
Total Deferred Outflows of Resources	880,522	207,905	46,085	1,134,512	326,872

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
As of December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	Governmental Activities - Internal Service Funds
LIABILITIES					
Current Liabilities					
Accounts payable	$ 256,106	$ 231,557	$ 26,023	$ 513,686	$ 204,943
Accrued liabilities	26,983	8,577	409	35,969	9,094
Deposits	38,000	-	-	38,000	-
Unearned revenue	48,009	-	-	48,009	11,057
Long-term debt - due within one year	2,105,817	400,600	-	2,506,417	18,296
Total Current Liabilities	2,474,915	640,734	26,432	3,142,081	243,390
Noncurrent Liabilities					
Long-Term Debt					
Due in more than one year	36,600,811	2,734,099	113,215	39,448,125	530,053
Total Noncurrent Liabilities	36,600,811	2,734,099	113,215	39,448,125	530,053
Total Liabilities	39,075,726	3,374,833	139,647	42,590,206	773,443
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	-	80,950	-	80,950	-
Deferred inflows related to pensions	1,519,189	673,869	-	2,193,058	835,999
Deferred inflows related to OPEB	24,312	11,039	5,393	40,744	21,764
Total Deferred Inflows of Resources	1,543,501	765,858	5,393	2,314,752	857,763
NET POSITION					
Net investment in capital assets	18,441,106	19,770,619	2,461,212	40,672,937	5,660,076
Restricted for					
Municipal retirement	1,587,984	704,385	-	2,292,369	873,858
Unrestricted	1,497,647	1,145,489	166,146	2,809,282	5,914,855
TOTAL NET POSITION	$ 21,526,737	$ 21,620,493	$ 2,627,358	$ 45,774,588	$ 12,448,789

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, 2021

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	Governmental Activities - Internal Service Funds
OPERATING REVENUES					
Water sales	$ 10,984,489	$ -	$ -	$ 10,984,489	$ -
Sanitary sewer charges	-	2,527,560	-	2,527,560	-
Stormwater management fees	-	2,323,575	-	2,323,575	-
Water/sewer permit fees	116,963	33,572	-	150,535	-
Parking lot collections	-	-	228,594	228,594	-
Parking violations	-	-	91,849	91,849	-
Charges for goods and services	-	-	-	-	9,599,007
Miscellaneous	45,439	35,146	-	80,585	44,098
Total Operating Revenues	11,146,891	4,919,853	320,443	16,387,187	9,643,105
OPERATING EXPENSES					
Personnel services	2,180,144	1,044,586	68,020	3,292,750	1,213,536
Contractual services	1,283,778	605,036	181,286	2,070,100	5,663,688
Materials and supplies	329,299	57,996	5,930	393,225	524,615
Small tools and equipment	126,158	1,013,179	14,880	1,154,217	32,925
Administrative reimbursements	1,525,200	-	199,000	1,724,200	-
Repairs and maintenance	-	-	-	-	470,490
Depreciation	1,580,988	2,045,392	165,792	3,792,172	688,146
Total Operating Expenses	7,025,567	4,766,189	634,908	12,426,664	8,593,400
Operating Income (Loss)	4,121,324	153,664	(314,465)	3,960,523	1,049,705
NONOPERATING REVENUES (EXPENSES)					
Investment income	8,437	12,107	3,958	24,502	20,198
Intergovernmental	661,745	797,512	-	1,459,257	-
Gain (loss) on sale of capital assets	-	-	(38,723)	(38,723)	87,497
Interest and fiscal charges	(1,154,772)	(67,164)	-	(1,221,936)	-
Total Nonoperating Revenues (Expenses)	(484,590)	742,455	(34,765)	223,100	107,695
Income (Loss) Before Transfers	3,636,734	896,119	(349,230)	4,183,623	1,157,400
TRANSFERS					
Transfers in	-	-	-	-	22,660
Change in Net Position	3,636,734	896,119	(349,230)	4,183,623	1,180,060
NET POSITION - Beginning of Year	17,890,003	20,724,374	2,976,588	41,590,965	11,268,729
NET POSITION - END OF YEAR	$ 21,526,737	$ 21,620,493	$ 2,627,358	$ 45,774,588	$ 12,448,789

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	$ 11,072,725	$ 4,852,047	$ 309,363	$ 16,234,135	$ 9,453,651
Paid to suppliers	(3,158,617)	(1,536,110)	(394,790)	(5,089,517)	(6,600,218)
Paid to employees	(2,467,656)	(1,175,490)	(97,308)	(3,740,454)	(1,319,783)
Net Cash Flows From Operating Activities	5,446,452	2,140,447	(182,735)	7,404,164	1,533,650
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	8,437	12,107	3,958	24,502	20,198
Net Cash Flows From Investing Activities	8,437	12,107	3,958	24,502	20,198
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers	-	-	-	-	22,660
Operating grants received	661,745	797,512	-	1,459,257	-
Net Cash Flows From Noncapital Financing Activities	661,745	797,512	-	1,459,257	22,660
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bonds issued	15,950,000	-	-	15,950,000	-
Premium on bonds sold	2,006,513	-	-	2,006,513	-
Debt retired	(20,045,709)	(365,000)	-	(20,410,709)	-
Interest paid	(1,207,432)	(96,751)	-	(1,304,183)	-
Acquisition and construction of capital assets	(2,052,441)	(2,539,421)	(172,170)	(4,764,032)	(1,900,517)
Sale of capital assets	-	-	-	-	88,646
Net Cash Flows From Capital and Related Financing Activities	(5,349,069)	(3,001,172)	(172,170)	(8,522,411)	(1,811,871)
Net Change in Cash and Cash Equivalents	767,565	(51,106)	(350,947)	365,512	(235,363)
CASH AND CASH EQUIVALENTS - Beginning of Year	3,184,793	1,462,415	591,812	5,239,020	5,937,407
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,952,358	$ 1,411,309	$ 240,865	$ 5,604,532	$ 5,702,044

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Nonmajor Enterprise Fund - Motor Vehicle Parking System	Totals	Governmental Activities - Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	$ 4,121,324	$ 153,664	$ (314,465)	$ 3,960,523	$ 1,049,705
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities					
Depreciation	1,580,988	2,045,392	165,792	3,792,172	688,146
Changes in assets and liabilities					
Accounts receivable	(92,279)	(67,806)	(11,080)	(171,165)	(190,130)
Prepaid expense	-	-	-	-	260,766
Accounts payable	105,818	140,101	6,306	252,225	(169,266)
Accrued salaries	5,309	2,551	(64)	7,796	1,811
Net pension liability	-	-	-	-	(720,032)
Deferred outflows related to pensions	160,902	62,759	-	223,661	49,867
Deferred inflows related to pensions	768,248	356,286	-	1,124,534	492,422
Compensated absences	5,605	3,678	-	9,283	7,826
Unearned revenue	2,113	-	-	2,113	676
Deposits	16,000	-	-	16,000	-
Total OPEB liability	(24,728)	(20,011)	(66,631)	(111,370)	48,914
Deferred outflows related to OPEB	36,711	20,683	36,080	93,474	405
Deferred inflows related to OPEB	12,214	5,347	1,327	18,888	12,540
Net pension asset	(1,251,773)	(562,197)	-	(1,813,970)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 5,446,452	$ 2,140,447	$ (182,735)	$ 7,404,164	$ 1,533,650
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Change in capital-related accounts payable	$ 19,273	$ -	$ -		$ -

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
As of December 31, 2021

	Pension Trusts
ASSETS	
Cash and cash equivalents	$ 5,479,476
Investments	
Corporate bonds	6,369,172
U.S. Government and agency obligations	25,574,231
Mutual funds	72,100,405
Municipal bonds	6,646,636
Negotiable certificates of deposit	1,355,810
Receivables	
Accrued interest	209,518
Prepaid items	795
Due from primary government	142,917
Total Assets	117,878,960
LIABILITIES	
Accounts payable	27,400
Total Liabilities	27,400
NET POSITION	
Restricted for pension benefits	117,851,560
TOTAL NET POSITION	$ 117,851,560

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, 2021

	Pension Trusts
ADDITIONS	
Contributions	
Employer	$ 8,142,201
Plan members	1,119,782
Total Contributions	9,261,983
Investment income	
Investment income	5,148,665
Net appreciation in fair value of investments	7,518,633
Total Investment Income	12,667,298
Less Investment expense	150,407
Net investment income	12,516,891
Total Additions	21,778,874
DEDUCTIONS	
Benefits	10,344,988
Administration	89,622
Total Deductions	10,434,610
Change in Fiduciary Net Position	11,344,264
NET POSITION - Beginning of Year	106,507,296
NET POSITION - END OF YEAR	$ 117,851,560

See accompanying notes to financial statements.

CITY OF HIGHLAND PARK

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As of and for the Year Ended December 31, 2021

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NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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.F. 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, 2021. 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 three distinct housing associations. These are the Ravinia Housing Association, the Peers Housing Association, and the Sunset Woods 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, 2021. Separately issued financial statements of the Highland Park Housing Associations' members may be obtained from the City's office.

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

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.

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

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.

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

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	Emergency 911 System
Foreign Fire Insurance Tax	Environmental Sustainability
Multi-Modal Transportation	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

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

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.

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

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.

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 Statues (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.

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 Statues (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.

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 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.

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.)

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.

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.)

2. Receivables

Property taxes for levy year 2021 attach as an enforceable lien, as of January 1, 2021, 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 2021 are prepared by Lake County, issued in May 2022, and are payable in two installments, on or about June 6, 2022 and September 6, 2022 or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2021 property tax levy is recognized as a receivable and a deferral in fiscal 2021, net of the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At December 31, 2021, the property taxes receivable and related deferred inflows consisted of the estimated amount collectible from the 2021 levy and amounts from the 2020 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 three 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.

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.)

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.

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.)

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.

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.)

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.

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.)

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%).

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	$ 45,163,338	$ 45,615,855	Custodial credit risk - deposits
Money market - Illinois Funds	23,753,450	23,753,450	Credit risk
Money market - other	5,165,329	5,165,329	Credit risk, interest rate risk
Corporate bonds	6,369,172	6,369,172	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
U.S. Treasury obligations	4,463,562	4,463,562	Custodial credit risk - investments, interest rate risk
U.S. Agency obligations - explicitly guaranteed	1,563	1,563	Custodial credit risk - investments, interest rate risk
U.S. Agency obligation - implicitly guaranteed	21,109,106	21,109,106	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Mutual funds - other	72,100,405	72,100,405	N/A
Municipal bonds	6,646,636	6,646,636	Credit risk, custodial credit risk - investments, concentration of credit risk, interest rate risk
Negotiable certificates of deposit	1,355,810	1,355,810	Credit risk, custodial credit risk, concentration of credit risk, interest rate risk
Petty cash	5,470	-	N/A
Total Deposits and Investments	$186,133,841	$186,580,888	

Reconciliation to financial statements	
Per statement of net position	
Cash	$ 68,608,111
Per statement of net position - fiduciary funds	
Cash and cash equivalents	5,479,476
Corporate bonds	6,369,172
U.S. government and agency obligations	25,574,231
Mutual funds	72,100,405
Municipal bonds	6,646,636
Negotiable certificates of deposit	1,355,810
Total Deposits and Investments	$186,133,841

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, 2021, the City's investments were measured using valuation inputs as follows:

Police Pension Fund

	December 31, 2021			
Investment Type	Level 1	Level 2	Level 3	Total
Money market - other	$ 923,830	$ -	$ -	$ 923,830
Corporate bonds	-	2,913,628	-	2,913,628
U.S. Treasury obligations	2,742,466	-	-	2,742,466
U.S. Agency obligations - explicit	-	1,563	-	1,563
U.S. Agency obligations - implicit	-	11,201,866	-	11,201,866
Municipal bonds	-	3,418,189	-	3,418,189
Mutual funds - other	35,450,443	-	-	35,450,443
Negotiable certificates of deposit	-	677,905	-	677,905
Total	$ 39,116,739	$ 18,213,151	$ -	$ 57,329,890

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

A. DEPOSITS AND INVESTMENTS (cont.)

Firefighters' Pension Fund

	December 31, 2021			
Investment Type	Level 1	Level 2	Level 3	Total
Money market - other	$ 4,241,499	$ -	$ -	$ 4,241,499
Corporate bonds	-	3,455,544	-	3,455,544
U.S. Treasury obligations	1,721,096	-	-	1,721,096
U.S. Agency obligations - implicit	-	9,907,240	-	9,907,240
Municipal bonds	-	3,228,447	-	3,228,447
Mutual funds - other	36,649,962	-	-	36,649,962
Negotiable certificates of deposit	-	677,905	-	677,905
Total	$ 42,612,557	$ 17,269,136	$ -	$ 59,881,693

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.

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

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, 2021, 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, 2021, the City held no investments subject to concentration of credit risk.

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

Federal Farm Credit Banks	$	7,345,037
Federal Home Loan Bank		3,302,460

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

Federal Farm Credit Banks	$	6,112,140
Federal Home Loan Bank		2,607,573

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, 2021, the City's investments were as follows:

Police Pension Fund

		Maturity (In Years)			
Investment Type	Fair Value	< 1	1-5	6-10	> 10
Money market - other	$ 923,830	$ 923,830	$ -	$ -	$ -
Corporate bonds	2,913,628	666,989	981,522	1,265,117	-
U.S. Treasury obligations	2,742,466	-	2,435,677	306,789	-
U.S. Agency obligations - explicit	1,563	-	-	-	1,563
U.S. Agency obligations - implicit	11,201,866	50,548	3,039,035	8,094,515	17,768
Municipal bonds	3,418,189	457,311	991,270	1,786,845	182,763
Negotiable certificates of deposit	677,905	-	224,632	453,273	-
Totals	$ 21,879,447	$ 2,098,678	$ 7,672,136	$ 11,906,539	$ 202,094

Firefighters' Pension Fund

		Maturity (In Years)			
Investment Type	Fair Value	< 1	1-5	6-10	> 10
Money market - other	$ 4,241,499	$ 4,241,499	$ -	$ -	$ -
Corporate bonds	3,455,544	563,236	1,618,691	1,273,617	-
U.S. Treasury obligations	1,721,096	-	1,210,205	510,891	-
U.S. Agency obligations - implicit	9,907,240	50,952	2,665,073	7,045,429	145,786
Municipal bonds	3,228,447	152,091	1,259,178	1,762,612	54,566
Negotiable certificates of deposit	677,905	-	224,632	453,273	-
Totals	$ 23,231,731	$ 5,007,778	$ 6,977,779	$ 11,045,822	$ 200,352

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

A. *DEPOSITS AND INVESTMENTS* (cont.)

Money-Weighted Rate of Return

Police Pension Fund

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.89%. 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, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.76%. 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	$ 2,994,566
Utility tax	649,332
Home rule sales tax	1,421,308
Local use tax	355,750
Total	$ 5,420,956

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

B. RECEIVABLES (cont.)

	General Fund
Accounts receivable	
Local sales	$ 106,500
Rent	8,521
Grants	10,389
Permits	58,096
Court fines	15,596
Miscellaneous	897,631
Gross receivables	1,096,733
Less: Allowance for uncollectibles	(145,431)
Net accounts receivable	$ 951,302

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	$ 16,777,600	$ -
Other	1,796,219	938,723
Grants	-	105,499
Total Unearned/Unavailable Revenue for Governmental Funds	$ 18,573,819	$ 1,044,222
Unearned revenue included in liabilities	$ 1,796,219	
Unearned revenue included in deferred inflows	16,777,600	
Total Unearned Revenue for Governmental Funds	$ 18,573,819	

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

C. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	$ 12,796,044	$ -	$ -	$ 12,796,044
Land right of way	260,190	-	-	260,190
Construction in progress	1,275,840	941,416	6,020	2,211,236
Total Capital Assets Not Being depreciated	14,332,074	941,416	6,020	15,267,470
Capital assets being depreciated				
Buildings and land improvements	69,747,426	366,226	142,222	69,971,430
Machinery and equipment	19,501,541	1,986,892	645,956	20,842,477
Infrastructure	65,185,296	262,142	-	65,447,438
Total Capital Assets Being Depreciated	154,434,263	2,615,260	788,178	156,261,345
Total Capital Assets	168,766,337	3,556,676	794,198	171,528,815
Less: Accumulated depreciation for				
Buildings and land improvements	34,018,925	1,537,103	1,422	35,554,606
Machinery and equipment	13,092,065	1,142,247	636,654	13,597,658
Infrastructure	38,283,090	1,785,619	-	40,068,709
Total Accumulated depreciation	85,394,080	4,464,969	638,076	89,220,973
Net Capital Assets Being Depreciated	69,040,183	(1,849,709)	150,102	67,040,372
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 83,372,257	$ (908,293)	$ 156,122	$ 82,307,842

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 349,978
Public safety	483,402
Public works	2,096,507
Economic development	1,535,082
Total Governmental Activities Depreciation Expense	$ 4,464,969

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

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciation				
Land	$ 1,386,123	$ -	$ 38,723	$ 1,347,400
Construction in progress	351,835	2,175,620	-	2,527,455
Total Capital Assets Not Being depreciation	1,737,958	2,175,620	38,723	3,874,855
Capital assets being depreciated				
Buildings and land improvements	54,775,676	836,075	-	55,611,751
Machinery and equipment	4,427,265	561,789	100,783	4,888,271
Infrastructure	118,810,575	1,209,820	-	120,020,395
Total Capital Assets Being Depreciated	178,013,516	2,607,684	100,783	180,520,417
Total Capital Assets	179,751,474	4,783,304	139,506	184,395,272
Less: Accumulated depreciation for				
Buildings and land improvements	19,773,084	1,046,767	-	20,819,851
Machinery and equipment	3,399,641	134,362	100,783	3,433,220
Infrastructure	78,436,316	2,611,043	-	81,047,359
Total Accumulated depreciation	101,609,041	3,792,172	100,783	105,300,430
Net Capital Assets Being Depreciated	76,404,475	(1,184,488)	-	75,219,987
Business-type Capital Assets, Net of Accumulated depreciation	$ 78,142,433	$ 991,132	$ 38,723	$ 79,094,842

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	$ 135,484
Total - Fund Financial Statements		135,484
Less: Government-wide eliminations		(135,484)
Total Internal Balances - Government-Wide Statement of Net Position		$ -

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

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:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Nonmajor Governmental	$ 645,000	E-911 costs
General	Nonmajor Governmental	50,000	Incremental costs of purchasing public works environmentally friendly vehicles
Capital Projects	Nonmajor Governmental	1,814,000	Street and bridge improvements
Nonmajor Governmental	General	24,772	ARPA funding for capital project improvements
Internal Service	General	10,000	Incremental costs of purchasing public works environmentally friendly vehicles
Internal Service	Nonmajor Governmental	12,660	Incremental costs of purchasing public works environmentally friendly vehicles
Total - Fund Financial Statements		2,556,432	
Less: Government-wide eliminations		(2,556,432)	
Total Transfers - Government-Wide Statement of Activities		$ -	

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.

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

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

Transfers (cont.)

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	$ 9,450,881	$ -	$ 925,010	$ 8,525,871	$ 730,010
(Discounts)/Premiums	339,177	-	56,414	282,763	-
Sub-totals	9,790,058	-	981,424	8,808,634	730,010
Other Liabilities					
Compensated absences	1,610,482	1,149,336	1,207,861	1,551,957	310,391
Total OPEB liability	20,220,503	1,344,722	1,203,961	20,361,264	-
Claims payable	298,904	359,567	489,354	169,117	-
Net pension liability - Firefighters'	31,744,164	6,251,915	5,593,235	32,402,844	-
Net pension liability - Police	38,528,028	3,368,975	5,751,029	36,145,974	-
Total Other Liabilities	92,402,081	12,474,515	14,245,440	90,631,156	310,391
Total Governmental Activities Long-Term Liabilities	$102,192,139	$ 12,474,515	$ 15,226,864	$ 99,439,790	$ 1,040,401
Business-type Activities					
Bonds and Notes Payable					
General obligation debt	$ 38,264,119	$ 15,950,000	$ 20,179,990	$ 34,034,129	$ 2,234,990
IEPA loan - direct borrowing	4,459,801	-	230,719	4,229,082	235,345
(Discounts)/Premiums	768,501	2,006,513	119,401	2,655,613	-
Sub-totals	43,492,421	17,956,513	20,530,110	40,918,824	2,470,335
Other Liabilities					
Compensated absences	171,127	137,628	128,345	180,410	36,082
Total OPEB liability	966,678	-	111,370	855,308	-
Total Other Liabilities	1,137,805	137,628	239,715	1,035,718	36,082
Total Business-type Activities Long-Term Liabilities	$ 44,630,226	$ 18,094,141	$ 20,769,825	$ 41,954,542	$ 2,506,417

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

E. LONG-TERM OBLIGATIONS (cont.)

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.

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

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
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	920,000
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	525,121
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	6,605,000
Total Governmental Activities - General Obligation Debt					$ 8,525,871

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Business-type Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
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	$ 100,000
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	4,385,000
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
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	725,000
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	2,039,879
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

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, 2021
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	$ 1,835,000
Water Fund - 2021 General Obligation Refunding Bonds in annual installments of $0 to $2,555,000	11/16/2021	12/31/2032	2.00%-4.00%	15,950,000	15,950,000
Total Business-type Activities - General Obligation Debt					$ 34,034,129

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2022	$ 730,010	$ 247,943	$ 2,234,990	$ 1,142,516
2023	795,012	227,793	2,389,988	991,632
2024	800,012	205,742	2,479,988	906,983
2025	815,012	183,592	2,554,988	821,558
2026	850,012	161,042	2,654,988	733,458
2027-2031	3,400,063	484,738	12,654,937	2,354,757
2032-2034	1,135,750	58,589	9,064,250	553,974
Totals	$ 8,525,871	$ 1,569,439	$ 34,034,129	$ 7,504,878

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, 2021
Water Fund - IEPA Loan, Preliminary Series 2015 - 2017, due in annual installments of $157,701 to $310,744	11/1/2015	12/1/2037	1.995%	$ 3,812,839	$ 4,229,082
Total Business-type Activities Other Bonds or Notes or Loans Payable					$ 4,229,082

Debt service requirements to maturity are as follows:

Years	Business-type Activities Other Bonds or Notes or Loans Payable	
	Principal	Interest
2022	$ 235,345	$ 83,202
2023	240,064	78,484
2024	244,877	73,670
2025	249,786	68,761
2026	254,795	63,753
2027-2031	1,352,681	240,057
2032-2036	1,493,833	98,906
2037	157,701	1,573
Totals	$ 4,229,082	$ 708,406

Current Refunding

On November 16, 2021, the City issued $15,950,000 in general obligation bonds with an average coupon rate of 3.24% to refund $9,960,000 of outstanding 2013 Taxable General Obligation Bonds with an average coupon rate of 2.79% and $7,835,000 of outstanding 2014 Taxable General Obligation Bonds with an average coupon rate of 2.81%.

The City refunded these bonds to reduce its total debt service payments over the next 11 years by $1,611,516. This transaction resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,490,166.

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

F. 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	$ 3,333,275	$ 3,427,193	Custodial credit risk
Money market mutual funds	2,034,911	2,034,911	Credit risk, interest rate risk
Illinois funds	1,876	1,876	Credit risk
Petty cash	562	-	N/A
Total Deposits and Investments	$ 5,370,624	$ 5,463,980	

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, 2021, the Library's investments were measured using valuation inputs as follows:

	December 31, 2021			
Investment Type	Level 1	Level 2	Level 3	Total
Money market mutual funds	$ 2,034,911	$ -	$ -	$ 2,034,911
Total	$ 2,034,911	$ -	$ -	$ 2,034,911

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

F. COMPONENT UNIT (cont.)

HIGHLAND PARK PUBLIC LIBRARY (cont.)

b. Deposits and Investments (cont.)

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.

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.

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, 2021, the Library's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Money market mutual funds	A-1+ - A1	P-1

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

F. *COMPONENT UNIT* (cont.)

HIGHLAND PARK PUBLIC LIBRARY (cont.)

b. 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, 2021, the Library's debt investments were as follows:

Investment Type	Fair Value	Maturity (In Years) < 1
Money market mutual funds	$ 2,034,911	$ 2,034,911
Totals	$ 2,034,911	$ 2,034,911

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

c. Capital Assets

	Beginning Balance	Additions	Deletions	Ending Balance
Land	$ 500,000	$ -	$ -	$ 500,000
Land Improvements	69,249	153,055	-	222,304
Buildings and improvements	8,616,454	-	-	8,616,454
Machinery and equipment	2,284,842	85,265	-	2,370,107
Less: Accumulated depreciation	(4,417,621)	(266,811)	-	(4,684,432)
Totals	$ 7,052,924	$ (28,491)	$ -	$ 7,024,433

d. Long-Term Obligations

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligation debt	$ 770,000	$ -	$ 45,000	$ 725,000	$ 50,000
Vested compensated absences	151,656	150,768	165,418	137,006	-
Total OPEB liability	418,241	29,540	34,654	413,127	-
Totals	$ 1,339,897	$ 180,308	$ 245,072	$ 1,275,133	$ 50,000

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

F. COMPONENT UNIT (cont.)

HIGHLAND PARK PUBLIC LIBRARY (cont.)

d. Long-Term Obligations (cont.)

	General Obligation Debt		
	Principal	Interest	Totals
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	50,000	14,425	64,425
2027-2031	285,000	52,950	337,950
2032-2034	190,000	11,550	201,550
Totals	$ 725,000	$ 146,625	$ 871,625

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 $1,840,693, consisting of deposits with financial institutions.

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

F. 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, 2021, restricted cash was $642,021.

d. Capital Assets

	Beginning Balance (as restated)	Additions	Deletions	Ending Balance	Useful Lives (Years)
Buildings	$ 9,334,279	$ -	$ -	$ 9,334,279	15-40
Equipment	461,678	-	-	461,678	5-10
Furniture and fixtures	1,007,458	69,598	-	1,077,056	5-10
Less: Accumulated depreciation/ amortization	(6,974,041)	(292,930)	-	(7,266,971)	
Totals	$ 3,829,374	$ (223,332)	$ -	$ 3,606,042	

e. Long-Term Obligations

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Mortgage loan payable	$ 4,779,390	$ -	$ 259,296	$ 4,520,094	$ 513,885
Unamortized issuance costs	(114,924)	-	(10,106)	(104,818)	-
Totals	$ 4,664,466	$ -	$ 249,190	$ 4,415,276	$ 513,885

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

F. 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:

	Principal
2022	$ 513,885
2023	163,654
2024	173,361
2025	183,649
2026	72,839
2027-2035	3,412,706
Totals	$ 4,520,094

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), $381,743 of mortgages would be due on demand. This amount has not been reflected as a liability due to its contingent nature.

g. Restatement of Net Position

During the fiscal year, the City's operating agreement with the Walnut Place, a component of the Association, expired. In conjunction with the conclusion of the operating agreement, the City sold the land and relinquished its oversight authority. As a result of this change in relationship, Walnut Place no longer meets the requirements to be reported as a component unit of the City and has been removed from the City's financial statements.

The Association's net deficit, as reported at December 31, 2020 of $(451,376), increase $2,089,973 to a restated net position at December 31, 2020 of $1,638,597.

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, 2021 totaled $2,652,308 and ($186,819), 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.

For the year ended December 31, 2021, the City recognized the following balances in the government-wide financial statements:

	Total Pension Liability	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
IMRF - City	$ 89,874,100	$ -	$ 1,455,638	$ 8,636,704	$ (959,285)
Police Pension	93,935,951	36,145,974	1,888,011	5,409,828	1,753,354
Firefighters' Pension	92,464,427	32,402,844	5,793,212	5,770,258	1,858,239
Total	$276,274,478	$ 68,548,818	$ 9,136,861	$ 19,816,790	$ 2,652,308

At December 31, 2021, the City reported an IMRF net pension asset of $9,027,810.

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.

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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, 2020, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	292
Inactive, non-retired members	207
Active members	175
Total	674

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 2020 was 8.97% 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, 2020, 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.

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial Assumptions. The total pension liability for IMRF was determined by actuarial valuations 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	
Investment Rate of Return	7.25%
Inflation	2.25%
Salary increases	2.85% to 13.75%, including inflation
Price inflation	2.25%

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

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:

		Projected Returns/Risks	
Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Equities	37.00%	6.35%	5.00%
International equities	18.00%	7.65%	6.00%
Fixed income	28.00%	1.40%	1.30%
Real estate	9.00%	7.10%	6.20%
Alternatives	7.00%		
Private equity		10.35%	6.95%
Hedge funds		N/A	N/A
Commodities		3.90%	2.85%
Cash equivalents	1.00%	0.70%	0.70%

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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, 2019 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.

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
City:			
Total pension liability	$ 99,258,412	$ 89,874,100	$ 82,356,043
Plan fiduciary net pension	98,901,910	98,901,910	98,901,910
Net pension liability/(asset)	$ 356,502	$ (9,027,810)	$ (16,545,867)
Library:			
Total pension liability	$ 20,127,125	$ 18,224,221	$ 16,699,747
Plan fiduciary net pension	19,982,389	19,982,389	19,982,389
Net pension liability/(asset)	$ 144,736	$ (1,758,168)	$ (3,282,642)
Total:			
Total pension liability	$ 119,385,537	$ 108,098,321	$ 99,055,790
Plan fiduciary net pension	118,884,299	118,884,299	118,884,299
Net pension liability/(asset)	$ 501,238	$ (10,785,978)	$ (19,828,509)

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, 2020 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
City:			
Balances at December 31, 2019	$ 87,839,518	$ 89,733,602	$ (1,894,084)
Service cost	1,120,150	-	1,120,150
Interest on total pension liability	6,252,850	-	6,252,850
Differences between expected and actual experience of the total pension liability	687,598	-	687,598
Change of assumptions	(585,848)	-	(585,848)
Benefit payments, including refunds of employee contributions	(5,440,168)	(5,440,168)	-
Contributions - employer	-	1,011,290	(1,011,290)
Contributions - employee	-	517,674	(517,674)
Net investment income	-	13,109,260	(13,109,260)
Other (net transfer)	-	(29,748)	29,748
Balances at December 31, 2020	$ 89,874,100	$ 98,901,910	$ (9,027,810)
Library:			
Balances at December 31, 2019	$ 17,783,825	$ 18,196,860	$ (413,035)
Service cost	218,150	-	218,150
Interest on total pension liability	1,217,744	-	1,217,744
Differences between expected and actual experience of the total pension liability	133,908	-	133,908
Change of assumptions	(69,932)	-	(69,932)
Benefit payments, including refunds of employee contributions	(1,059,474)	(1,059,474)	-
Contributions - employer	-	196,949	(196,949)
Contributions - employee	-	100,817	(100,817)
Net investment income	-	2,553,031	(2,553,031)
Other (net transfer)	-	(5,794)	5,794
Balances at December 31, 2020	$ 18,224,221	$ 19,982,389	$ (1,758,168)
Total:			
Balances at December 31, 2019	$ 105,623,343	$ 107,930,462	$ (2,307,119)
Service cost	1,338,300	-	1,338,300
Interest on total pension liability	7,470,594	-	7,470,594
Differences between expected and actual experience of the total pension liability	821,506	-	821,506
Change of assumptions	(655,780)	-	(655,780)
Benefit payments, including refunds of employee contributions	(6,499,642)	(6,499,642)	-
Contributions - employer	-	1,208,239	(1,208,239)
Contributions - employee	-	618,491	(618,491)
Net investment income	-	15,662,291	(15,662,291)
Other (net transfer)	-	(35,542)	35,542
Balances at December 31, 2020	$ 108,098,321	$ 118,884,299	$ (10,785,978)
Plan fiduciary net position as a percentage of the total pension liability			109.98 %

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, 2021, the City and Library recognized pension expense of $(1,146,104) (($959,285) for the City and ($186,819) 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
City:		
Difference between expected and actual experience	$ 609,765	$ -
Assumption changes	-	362,550
Net difference between projected and actual earnings on pension plan investments	-	8,274,154
Contributions subsequent to the measurement date	845,873	-
Total	$ 1,455,638	$ 8,636,704
Library:		
Difference between expected and actual experience	$ 118,752	$ -
Assumption changes	-	70,607
Net difference between projected and actual earnings on pension plan investments	-	1,611,394
Contributions subsequent to the measurement date	164,734	-
Total	$ 283,486	$ 1,682,001
Total:		
Difference between expected and actual experience	$ 728,517	$ -
Assumption changes	-	433,157
Net difference between projected and actual earnings on pension plan investments	-	9,885,548
Contributions subsequent to the measurement date	1,010,607	-
Total	$ 1,739,124	$ 10,318,705

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, 2022. The remaining amounts reported as deferred outflows and inflows of resources related to pensions $(9,590,188) will be recognized in pension expense as follows:

Year Ending December 31,	City	Library	Total
2022	$ (2,434,579)	$ (474,135)	$ (2,908,714)
2023	(960,018)	(186,964)	(1,146,982)
2024	(3,291,810)	(641,080)	(3,932,890)
2025	(1,340,533)	(261,069)	(1,601,602)
Total	$ (8,026,940)	$ (1,563,248)	$ (9,590,188)

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.

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan membership. At December 31, 2021, the Police Pension membership consisted of:

Retirees and beneficiaries	71
Inactive, non-retired members	9
Active members	56
Total	136

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, 2021 was 71.10% of annual covered payroll.

Net Pension Liability/(Asset). The net pension liability/(asset) was measured as of December 31, 2021, 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.

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, 2021 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	$ 106,102,880	$ 93,935,951	$ 83,937,294
Plan fiduciary net position	57,789,977	57,789,977	57,789,977
Net pension liability	$ 48,312,903	$ 36,145,974	$ 26,147,317

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, 2021 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2020	$ 90,566,976	$ 52,038,948	$ 38,528,028
Service cost	1,121,758	-	1,121,758
Interest on total pension liability	6,256,587	-	6,256,587
Differences between expected and actual experience of the total pension liability	1,073,796	-	1,073,796
Change of assumptions	208,631	-	208,631
Benefit payments, including refunds of employee contributions	(5,291,797)	(5,291,797)	-
Contributions - employer	-	4,319,500	(4,319,500)
Contributions - employee	-	615,819	(615,819)
Net investment income	-	6,159,853	(6,159,853)
Administration	-	(52,346)	52,346
Balances at December 31, 2021	$ 93,935,951	$ 57,789,977	$ 36,145,974
Plan fiduciary net position as a percentage of the total pension liability			61.52 %

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2021, the City recognized pension expense of $1,753,354. 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	$ 1,721,106	$ 164,767
Assumption changes	166,905	413,016
Net difference between projected and actual earnings on pension plan investments	-	4,832,045
Total	$ 1,888,011	$ 5,409,828

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions ($(3,521,817)) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2022	$ (907,187)
2023	(1,623,565)
2024	(741,099)
2025	(249,966)
Total	$ (3,521,817)

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.

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan membership. At December 31, 2021, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries	65
Inactive, non-retired members	2
Active members	50
Total	117

Contributions. Participants contribute a fixed percentage of their base salary to the plans. At December 31, 2021, 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, 2021 was 71.02% of annual covered payroll.

Net pension liability/(asset). The net pension liability/(asset) was measured as of December 31, 2021, 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.

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, 2021 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	2.25%
Projected salary increases, including inflation	3.50% - 12.00%
Cost-of-living adjustments	3.00% (1.125% for those hired on or after January 1, 2011)

Mortality rates were based on the Pub-2010 Public Safety Employee Mortality Table without adjustment, with generational improvement scale MP-2020 applied from 2010. The actuarial assumptions were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated December 1, 2021.

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	$ 104,849,653	$ 92,464,427	$ 82,323,087
Plan fiduciary net position	60,061,583	60,061,583	60,061,583
Net pension liability	$ 44,788,070	$ 32,402,844	$ 22,261,504

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, 2021 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/Asset (a) - (b)
Balances at December 31, 2020	$ 86,212,512	$ 54,468,348	$ 31,744,164
Service cost	1,074,739	-	1,074,739
Interest on total pension liability	5,955,168	-	5,955,168
Differences between expected and actual experience of the total pension liability	(121,608)	-	(121,608)
Change of assumptions	4,396,807	-	4,396,807
Benefit payments, including refunds of employee contributions	(5,053,191)	(5,053,191)	-
Contributions - employer	-	3,822,701	(3,822,701)
Contributions - employee	-	503,963	(503,963)
Net investment income	-	6,357,038	(6,357,038)
Administration	-	(37,276)	37,276
Balances at December 31, 2021	$ 92,464,427	$ 60,061,583	$ 32,402,844
Plan fiduciary net position as a percentage of the total pension liability			64.96 %

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2021, the City recognized pension expense of $1,858,239. 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	$ 1,968,105	$ 195,052
Assumption changes	3,825,107	492,742
Net difference between projected and actual earnings on pension plan investments	-	5,082,464
Total	$ 5,793,212	$ 5,770,258

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The amounts reported as deferred outflows and inflows of resources related to pensions ($22,954) will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2022	$ 35,235
2023	(1,125,192)
2024	(46,737)
2025	447,114
2026	712,534
Total	$ 22,954

PENSION SEGMENT INFORMATION

Fiduciary Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Assets			
Cash and cash equivalents	$ 1,221,158	$ 4,258,318	$ 5,479,476
Investments			
Corporate bonds	2,913,628	3,455,544	6,369,172
U.S. Government and agency obligations	13,945,895	11,628,336	25,574,231
Mutual funds	35,450,443	36,649,962	72,100,405
Municipal bonds	3,418,189	3,228,447	6,646,636
Negotiable certificates of deposit	677,905	677,905	1,355,810
Prepaid items	-	795	795
Receivables			
Accrued interest	113,355	96,163	209,518
Due from primary government	70,894	72,023	142,917
Total Assets	57,811,467	60,067,493	117,878,960
Liabilities			
Accounts payable	21,490	5,910	27,400
Total Liabilities	21,490	5,910	27,400
Net Position			
Restricted for pension benefits	$ 57,789,977	$ 60,061,583	$117,851,560

NOTE III - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in Plan Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
Additions			
Contributions			
Employer	$ 4,319,500	$ 3,822,701	$ 8,142,201
Plan members	615,819	503,963	1,119,782
Total Contributions	4,935,319	4,326,664	9,261,983
Investment Income			
Interest on investments	2,507,970	2,640,695	5,148,665
Net appreciation in fair value of investments	3,724,424	3,794,209	7,518,633
Total Investment income	6,232,394	6,434,904	12,667,298
Less investment income	72,541	77,866	150,407
Net investment income	6,159,853	6,357,038	12,516,891
Total Additions	11,095,172	10,683,702	21,778,874
Deductions			
Benefits	5,291,797	5,053,191	10,344,988
Administration	52,346	37,276	89,622
Total Deductions	5,344,143	5,090,467	10,434,610
Net change in net position	5,751,029	5,593,235	11,344,264
Net Position - Beginning of Year	52,038,948	54,468,348	106,507,296
Net Position - End of Year	$ 57,789,977	$ 60,061,583	$117,851,560

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.

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

	Prior Year	Current Year
Unpaid claims - Beginning of Year	$ 581,370	$ 298,904
Current year claims and changes in estimates	(109,154)	359,567
Claim payments	(173,312)	(489,354)
Unpaid Claims - End of Year	$ 298,904	$ 169,117

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.

NOTE III - OTHER INFORMATION (cont.)

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, 2021.

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.

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 actuarial valuation date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	52
Active plan members	247
Total	299

Total OPEB liability. The City and Library reported liabilities for the proportionate share of the total OPEB liability measured as of December 31, 2021 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, 2021, the City and Library's proportions were 98.09% and 1.91%, respectively.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2021 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%)

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, 2021.

Mortality rates were based on the PubG-2010(B) Study, with rates improved generationally using MP-2020 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, 2021 valuation were based on the results of an actuarial experience study conducted by the independent actuary.

Discount rate. At December 31, 2021, the discount rate used to measure the total OPEB liability was 2.06%, which was a change from the December 31, 2020 rate of 2.12%. 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, 2020	$ 21,187,181	$ 418,241	$ 21,605,422
Service cost	811,027	15,793	826,820
Interest	443,359	8,633	451,992
Changes in assumptions or other inputs	(665,828)	(18,652)	(684,480)
Benefit payments	(559,167)	(10,888)	(570,055)
Balances at December 31, 2021	$ 21,216,572	$ 413,127	$ 21,629,699

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12 percent in 2020 to 2.06 percent in 2021, 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.

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 (1.06%) or 1-percentage-point higher (3.06%) than the current discount rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability - City	$ 25,702,304	$ 21,216,572	$ 17,829,832
Total OPEB liability - Library	500,473	413,127	347,181
Total OPEB liability - Total	$ 26,202,777	$ 21,629,699	$ 18,177,013

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	(Varies)	(Varies)	(Varies)
Total OPEB liability - City	$ 17,263,808	$ 21,216,572	$ 26,557,602
Total OPEB liability - Library	336,159	413,127	517,127
Total OPEB liability - Total	$ 17,599,967	$ 21,629,699	$ 27,074,729

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, 2021, the City and Library recognized OPEB expense of $2,160,190 and $42,064, respectively. At December 31, 2021, 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	$ 2,372,956	$ -
Changes of assumptions or other inputs	6,263,489	1,010,692
Total	$ 8,636,445	$ 1,010,692
Library:		
Differences between expected and actual experience	$ 46,206	$ -
Changes of assumptions or other inputs	121,962	19,680
Total	$ 168,168	$ 19,680
Total:		
Differences between expected and actual experience	$ 2,419,162	$ -
Changes of assumptions or other inputs	6,385,451	1,030,372
Total	$ 8,804,613	$ 1,030,372

NOTE III - OTHER INFORMATION (cont.)

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
2022	$ 905,805	$ 17,638	$ 923,443
2023	905,805	17,638	923,443
2024	905,805	17,638	923,443
2025	905,805	17,638	923,443
2026	915,588	17,828	933,416
Thereafter	3,086,945	60,108	3,147,053
Total	$ 7,625,753	$ 148,488	$ 7,774,241

D. SUBSEQUENT EVENTS

On March 9, 2022, the City issued General Obligation Bonds, Series 2022, in the amount of $11,540,000 with an interest rate of 3.00% - 4.00%. This amount will be used to finance certain capital improvements in the City, including a new fire station, and to pay the costs of issuing the Bonds.

Subsequent to December 31, 2021, the investment markets have experienced significant volatility. It is highly likely that the values of the City's investments have changed by material amounts since year end.

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.

NOTE III - OTHER INFORMATION (cont.)

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	2021 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	$ 14,822	$ 500,000
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	543,501	2,507,494
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	344	8,638
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	16,732	209,306

NOTE III - OTHER INFORMATION (cont.)

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. 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. 9*6, Subscription-Based Information Technology Arrangements*
- Statement No. 9*7, 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, 2021, these purchases amounted to $3,161,618 or 28.78% and $1,574,448 or 14.33%, 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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 5,135,600	$ 5,235,600	$ 5,222,664	$ (12,936)
Personal property replacement tax	315,000	315,000	559,662	244,662
Licenses and permits	1,314,847	1,274,947	1,984,272	709,325
Public charges for services	2,905,421	2,682,350	2,440,017	(242,333)
Municipal sales tax	11,438,000	12,038,000	15,815,554	3,777,554
Fines, forfeitures and penalties	400,492	212,898	174,294	(38,604)
Utility taxes	2,157,000	2,157,000	2,401,266	244,266
Real estate transfer tax	1,500,000	2,000,000	3,147,040	1,147,040
Intergovernmental	12,966	144,407	412,499	268,092
State income tax	2,401,000	3,001,000	3,934,568	933,568
Franchise tax	1,431,500	1,278,000	1,452,817	174,817
Payments in lieu of taxes and affordable units	700,000	300,000	436,470	136,470
Other taxes	1,736,600	1,736,600	2,223,669	487,069
Reimbursements	231,220	236,324	1,362,400	1,126,076
Investment income	319,200	244,000	197,235	(46,765)
Net appreciation in fair value of investments	-	-	29,977	29,977
Miscellaneous	387,300	374,300	440,938	66,638
Total Revenues	32,386,146	33,230,426	42,235,342	9,004,916
EXPENDITURES				
General government	7,682,990	8,320,112	6,420,169	1,899,943
Public safety	21,882,109	22,055,534	21,713,781	341,753
Public works	2,766,797	2,859,748	2,575,490	284,258
Economic and physical development	3,945,200	4,162,780	4,064,431	98,349
Commissions	109,060	96,960	77,042	19,918
Total Expenditures	36,386,156	37,495,134	34,850,913	2,644,221
Excess (deficiency) of revenues over (under) expenditures	(4,000,010)	(4,264,708)	7,384,429	11,649,137
OTHER FINANCING SOURCES (USES)				
Transfers in	695,000	695,000	695,000	-
Transfers out	-	(68,000)	(34,772)	33,228
Proceeds from sale of assets	100,000	100,000	15,000	(85,000)
Total Other Financing Sources (Uses)	795,000	727,000	675,228	(51,772)
Net Change in Fund Balance	$ (3,205,010)	$ (3,537,708)	8,059,657	$ 11,597,365
FUND BALANCE - Beginning of Year			38,752,408	
FUND BALANCE - END OF YEAR			$ 46,812,065	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 6,270,000	$ 6,413,628	$ 6,359,025	$ (54,603)
Total Revenues	6,270,000	6,413,628	6,359,025	(54,603)
EXPENDITURES				
PUBLIC SAFETY				
Pension contribution - police	3,328,600	3,404,691	3,372,932	31,759
Pension contribution - fire	2,941,400	3,008,937	2,986,093	22,844
Total Expenditures	6,270,000	6,413,628	6,359,025	54,603
Net Change in Fund Balance	$ -	$ -	-	$ -
FUND BALANCE - Beginning of Year			-	
FUND BALANCE - END OF YEAR			$ -	

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 Seven Fiscal Years

MEASUREMENT DATE ENDED DECEMBER 31,	2014			2015		
	City	Library	Total	City	Library	Total
Total pension liability						
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	(3,737,505)	(746,509)	(4,484,014)	(4,018,036)	(802,541)	(4,820,577)
Net change in total pension liability	5,756,385	1,149,750	6,906,135	2,384,461	566,860	2,951,321
Total pension liability - beginning	69,916,203	13,964,685	83,880,888	75,672,588	15,114,435	90,787,023
Total pension liability - ending	$ 75,672,588	$ 15,114,435	$ 90,787,023	$ 78,057,049	$ 15,681,295	$ 93,738,344
Plan fiduciary net position						
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)	(339,584)	(67,827)	(407,411)	1,235,558	246,784	1,482,342
Net change in plan fiduciary net position	1,860,305	371,568	2,231,873	(870,376)	(173,844)	(1,044,220)
Plan fiduciary net position - beginning	72,197,330	14,420,305	86,617,635	74,057,635	14,791,873	88,849,508
Plan fiduciary net position - ending	$ 74,057,635	$ 14,791,873	$ 88,849,508	$ 73,187,259	$ 14,618,029	$ 87,805,288
Employer's net pension (asset) liability	$ 1,614,953	$ 322,562	$ 1,937,515	$ 4,869,790	$ 1,063,266	$ 5,933,056
Plan fiduciary net position as a percentage of the total pension liability			97.87%			93.67%
Covered payroll			$ 12,110,977			$ 11,909,272
Employer's net pension (asset) liability as a percentage of covered payroll			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
(4,232,741)	(918,532)	(5,151,273)	(4,546,137)	(919,907)	(5,466,044)	(4,894,379)	(978,336)	(5,872,715)
2,452,830	525,790	2,978,620	(182,804)	(103,117)	(285,921)	5,303,028	1,071,876	6,374,904
78,057,049	15,681,295	93,738,344	80,509,879	16,207,085	96,716,964	80,327,075	16,103,968	96,431,043
$ 80,509,879	$ 16,207,085	$ 96,716,964	$ 80,327,075	$ 16,103,968	$ 96,431,043	$ 85,630,103	$ 17,175,844	$102,805,947
$ 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)
439,215	95,312	534,527	(1,415,505)	(286,426)	(1,701,931)	1,941,030	387,992	2,329,022
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)
73,187,259	14,618,029	87,805,288	75,998,322	15,228,048	91,226,370	85,147,118	17,079,300	102,226,418
$ 75,998,322	$ 15,228,048	$ 91,226,370	$ 85,147,118	$ 17,079,300	$102,226,418	$ 78,687,868	$ 15,788,163	$ 94,476,031
$ 4,511,557	$ 979,037	$ 5,490,594	$ (4,820,043)	$ (975,332)	$ (5,795,375)	$ 6,942,235	$ 1,387,681	$ 8,329,916
		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 Seven Fiscal Years (cont.)

MEASUREMENT DATE ENDED DECEMBER 31,	2019			2020		
	City	Library	Total	City	Library	Total
Total pension liability						
Service cost	$ 1,031,316	$ 224,895	$ 1,256,211	$ 1,120,150	$ 218,150	$ 1,338,300
Interest	5,968,745	1,301,579	$ 7,270,324	6,252,850	1,217,744	$ 7,470,594
Differences between expected and actual experience	491,192	107,112	598,304	687,598	133,908	821,506
Changes of assumptions	(103,593)	103,593	-	(585,848)	(69,932)	(655,780)
Benefit payments, including refunds of member contributions	(5,178,245)	(1,129,198)	(6,307,443)	(5,440,168)	(1,059,474)	(6,499,642)
Net change in total pension liability	2,209,415	607,981	2,817,396	2,034,582	440,396	2,474,978
Total pension liability - beginning	85,630,103	17,175,844	102,805,947	87,839,518	17,783,825	105,623,343
Total pension liability - ending	$ 87,839,518	$ 17,783,825	$105,623,343	$ 89,874,100	$ 18,224,221	$108,098,321
Plan fiduciary net position						
Employer contributions	$ 635,859	$ 138,659	$ 774,518	$ 1,011,290	$ 196,949	$ 1,208,239
Employee contributions	506,334	110,414	616,748	517,674	100,817	618,491
Net investment income	15,047,814	3,281,414	18,329,228	13,109,260	2,553,031	15,662,291
Benefit payments, including refunds of member contributions	(5,178,245)	(1,129,198)	(6,307,443)	(5,440,168)	(1,059,474)	(6,499,642)
Other (net transfer)	33,972	7,408	41,380	(29,748)	(5,794)	(35,542)
Net change in plan fiduciary net position	11,045,734	2,408,697	13,454,431	9,168,308	1,785,529	10,953,837
Plan fiduciary net position - beginning	78,687,868	15,788,163	94,476,031	89,733,602	18,196,860	107,930,462
Plan fiduciary net position - ending	$ 89,733,602	$ 18,196,860	$107,930,462	$ 98,901,910	$ 19,982,389	$118,884,299
Employer's net pension (asset) liability	$ (1,894,084)	$ (413,035)	$ (2,307,119)	$ (9,027,810)	$ (1,758,168)	$ (10,785,978)
Plan fiduciary net position as a percentage of the total pension liability			102.18%			109.98%
Covered payroll			$ 13,262,311			$ 13,468,826
Employer's net pension (asset) liability as a percentage of covered payroll			-17.40%			-80.08%

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 Eight Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2014	2015	2016	2017	2018	2019	2020	2021
City:								
Actuarially determined contribution	$ 1,137,675	$ 1,034,196	$ 1,132,913	$ 997,050	$ 1,002,539	$ 645,492	$ 946,526	$ 831,929
Contributions in relation to the actuarially determined contribution	(1,137,675)	(1,050,302)	(1,187,009)	(997,050)	(1,068,278)	(645,492)	(963,635)	(845,873)
Contribution deficiency (excess)	$ -	$ (16,106)	$ (54,096)	$ -	$ (65,739)	$ -	$ (17,109)	$ (13,944)
Library:								
Actuarially determined contribution	$ 227,232	$ 225,805	$ 245,850	$ 201,752	$ 200,397	$ 129,027	$ 206,405	$ 162,018
Contributions in relation to the actuarially determined contribution	(227,232)	(209,782)	(257,589)	(201,752)	(213,538)	(129,027)	(210,136)	(164,734)
Contribution deficiency (excess)	$ -	$ 16,023	$ (11,739)	$ -	$ (13,141)	$ -	$ (3,731)	$ (2,716)
Total:								
Actuarially determined contribution	$ 1,364,907	$ 1,260,001	$ 1,378,763	$ 1,198,802	$ 1,202,936	$ 774,519	$ 1,152,931	$ 993,947
Contributions in relation to the actuarially determined contribution	(1,364,907)	(1,260,084)	(1,444,598)	(1,198,802)	(1,281,816)	(774,519)	(1,173,771)	(1,010,607)
Contribution deficiency (excess)	$ -	$ (83)	$ (65,835)	$ -	$ (78,880)	$ -	$ (20,840)	$ (16,660)
Covered payroll	$12,110,977	$11,909,272	$12,354,507	$12,487,524	$12,689,196	$13,262,311	$13,468,826	$12,808,592
Contributions as a percentage of covered payroll	11.27%	10.58%	11.69%	9.60%	10.10%	5.84%	8.71%	7.89%

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	23 Years
Asset valuation method	5-Year Smoothed Market
Inflation	2.50%
Salary increases	3.35% to 14.25% including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2017

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 Eight Fiscal Years

	2014	2015	2016	2017
Total pension liability				
Service cost	$ 1,182,934	$ 1,064,486	$ 1,064,486	$ 1,030,551
Interest	4,501,578	5,035,873	5,605,033	5,438,896
Change of benefit terms	-	-	-	-
Differences between expected and actual experience	1,257,742	(3,001,393)	(3,845,761)	1,228,822
Changes of assumptions	4,426,870	7,838,817	(1,050,165)	1,683,870
Benefit payments, including refunds of member contributions	(3,643,922)	(3,828,758)	(3,914,056)	(4,312,044)
Net change in total pension liability	7,725,202	7,109,025	(2,140,463)	5,070,095
Total pension liability - beginning	66,130,213	73,855,415	80,964,440	78,823,977
Total pension liability - ending	$ 73,855,415	$ 80,964,440	$ 78,823,977	$ 83,894,072
Plan fiduciary net position				
Employer contributions	$ 2,390,587	$ 2,809,109	$ 3,611,980	$ 3,760,188
Employee contributions	493,606	570,105	515,835	507,838
Net investment income	2,055,703	(62,999)	2,082,877	4,498,017
Benefit payments, including refunds of member contributions	(3,643,718)	(3,828,758)	(3,914,056)	(4,312,044)
Administration	(37,527)	(40,316)	(47,772)	(48,455)
Net change in plan fiduciary net position	1,258,651	(552,859)	2,248,864	4,405,544
Plan fiduciary net position - beginning	33,109,513	34,368,164	33,815,305	36,064,169
Plan fiduciary net position - ending	$ 34,368,164	$ 33,815,305	$ 36,064,169	$ 40,469,713
City's net pension liability	$ 39,487,251	$ 47,149,135	$ 42,759,808	$ 43,424,359
Plan fiduciary net position as a percentage of the total pension liability	46.53%	41.77%	45.75%	48.24%
Covered payroll	$ 4,871,007	$ 5,100,745	$ 5,322,381	$ 5,178,365
City's net pension liability as a percentage of covered payroll	810.66%	924.36%	803.40%	838.57%

Notes to Schedule:

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

2018	2019	2020	2021
$ 977,398	$ 1,012,169	$ 1,098,327	$ 1,121,758
5,784,269	5,865,384	6,040,111	6,256,587
-	120,133	-	-
(823,835)	468,990	1,124,121	1,073,796
(259,864)	(274,852)	(418,504)	208,631
(4,478,088)	(4,630,285)	(4,932,570)	(5,291,797)
1,199,880	2,561,539	2,911,485	3,368,975
83,894,072	85,093,952	87,655,491	90,566,976
$ 85,093,952	$ 87,655,491	$ 90,566,976	$ 93,935,951
$ 3,987,084	$ 3,983,517	$ 4,144,814	$ 4,319,500
529,624	560,825	706,354	615,819
(1,833,032)	7,305,648	6,362,881	6,159,853
(4,478,088)	(4,630,285)	(4,932,570)	(5,291,797)
(48,069)	(48,490)	(40,978)	(52,346)
(1,842,481)	7,171,215	6,240,501	5,751,029
40,469,713	38,627,232	45,798,447	52,038,948
$ 38,627,232	$ 45,798,447	$ 52,038,948	$ 57,789,977
$ 46,466,720	$ 41,857,044	$ 38,528,028	$ 36,145,974
45.39%	52.25%	57.46%	61.52%
$ 5,582,970	$ 5,825,859	$ 5,860,741	$ 6,041,918
832.29%	718.47%	657.39%	598.25%

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

CITY OF HIGHLAND PARK

POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Actuarially determined contribution	$ 1,485,807	$ 1,675,278	$ 2,200,186	$ 2,284,900	$ 2,770,901
Contributions in relation to the actuarially determined contribution	1,508,625	1,704,410	2,390,587	2,809,109	3,611,980
Contribution deficiency (excess)	$ (22,818)	$ (29,132)	$ (190,401)	$ (524,209)	$ (841,079)
Covered payroll	$ 4,422,555	$ 4,773,826	$ 4,871,007	$ 5,100,745	$ 5,322,381
Contributions as a percentage of covered payroll	34.11%	35.70%	49.08%	55.07%	67.86%

	2017	2018	2019	2020	2021
Actuarially determined contribution	$ 2,899,038	$ 3,055,946	$ 3,113,681	$ 3,227,994	$ 3,186,094
Contributions in relation to the actuarially determined contribution	3,760,188	3,987,084	3,983,501	4,144,814	4,319,500
Contribution deficiency (excess)	$ (861,150)	$ (931,138)	$ (869,820)	$ (916,820)	$ (1,133,406)
Covered payroll	$ 5,178,365	$ 5,582,970	$ 5,825,859	$ 5,860,741	$ 6,041,918
Contributions as a percentage of covered payroll	72.61%	71.42%	68.38%	70.72%	71.49%

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	20 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 Eight Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	6.28%	-0.23%	6.49%	12.50%	-4.53%	18.96%	13.92%	11.89%

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 Eight Fiscal Years

	2014	2015	2016	2017
Total pension liability				
Service cost	$ 1,270,045	$ 1,140,851	$ 1,140,851	$ 1,094,398
Interest	4,258,893	4,670,319	5,293,408	5,149,483
Change of benefit terms	-	-	-	-
Differences between expected and actual experience	606,760	(2,482,216)	(4,314,074)	74,405
Changes of assumptions	3,112,667	7,969,435	(387,755)	966,601
Benefit payments, including refunds of member contributions	(3,300,789)	(3,440,905)	(3,635,051)	(3,849,010)
Net change in total pension liability	5,947,576	7,857,484	(1,902,621)	3,435,877
Total pension liability - beginning	62,491,726	68,439,302	76,296,786	74,394,165
Total pension liability - ending	$ 68,439,302	$ 76,296,786	$ 74,394,165	$ 77,830,042
Plan fiduciary net position				
Employer contributions	$ 2,411,772	$ 2,472,050	$ 3,412,844	$ 3,740,496
Employee contributions	442,972	448,056	456,800	498,658
Net investment income	1,875,768	737,553	1,223,021	5,055,992
Benefit payments, including refunds of member contributions	(3,300,789)	(3,440,905)	(3,635,051)	(3,849,010)
Administration	(29,175)	(28,676)	(33,155)	(32,745)
Net change in plan fiduciary net position	1,400,548	188,078	1,424,459	5,413,391
Plan fiduciary net position - beginning	33,870,775	35,271,323	35,459,401	36,883,860
Plan fiduciary net position - ending	$ 35,271,323	$ 35,459,401	$ 36,883,860	$ 42,297,251
City's net pension liability	$ 33,167,979	$ 40,837,385	$ 37,510,305	$ 35,532,791
Plan fiduciary net position as a percentage of the total pension liability	51.54%	46.48%	49.58%	54.35%
Covered payroll	$ 4,548,781	$ 4,770,038	$ 4,832,832	$ 4,870,611
City's net pension liability as a percentage of covered payroll	729.16%	856.12%	776.16%	729.53%

Notes to Schedule:

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

2018	2019	2020	2021
$ 1,047,631	$ 1,007,419	$ 1,120,852	$ 1,074,739
5,376,209	5,477,719	5,701,016	5,955,168
-	127,338	-	-
(281,132)	1,355,818	1,916,695	(121,608)
(242,396)	(259,727)	(423,119)	4,396,807
(4,149,394)	(4,541,682)	(4,850,777)	(5,053,191)
1,750,918	3,166,885	3,464,667	6,251,915
77,830,042	79,580,960	82,747,845	86,212,512
$ 79,580,960	$ 82,747,845	$ 86,212,512	$ 92,464,427
$ 4,035,618	$ 4,033,757	$ 3,704,421	$ 3,822,701
466,052	476,948	527,343	503,963
(1,962,553)	7,799,439	6,746,379	6,357,038
(4,149,394)	(4,541,682)	(4,850,777)	(5,053,191)
(31,140)	(39,131)	(44,183)	(37,276)
(1,641,417)	7,729,331	6,083,183	5,593,235
42,297,251	40,655,834	48,385,165	54,468,348
$ 40,655,834	$ 48,385,165	$ 54,468,348	$ 60,061,583
$ 38,925,126	$ 34,362,680	$ 31,744,164	$ 32,402,844
51.09%	58.47%	63.18%	64.96%
$ 4,817,441	$ 5,147,016	$ 4,985,305	$ 5,351,933
808.00%	667.62%	636.75%	605.44%

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

CITY OF HIGHLAND PARK

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

	2012	2013	2014	2015	2016
Actuarially determined contribution	$ 1,468,564	$ 1,644,227	$ 2,217,940	$ 2,201,713	$ 2,619,715
Contributions in relation to the actuarially determined contribution	1,508,267	1,682,861	2,411,772	2,472,050	3,412,844
Contribution deficiency (excess)	$ (39,703)	$ (38,634)	$ (193,832)	$ (270,337)	$ (793,129)
Covered payroll	$ 4,519,476	$ 4,568,865	$ 4,548,781	$ 4,770,037	$ 4,832,832
Contributions as a percentage of covered payroll	33.37%	36.83%	53.02%	51.82%	70.62%

	2017	2018	2019	2020	2021
Actuarially determined contribution	$ 2,629,419	$ 2,608,199	$ 2,570,829	$ 2,713,800	$ 2,712,185
Contributions in relation to the actuarially determined contribution	3,740,496	4,035,618	4,033,741	3,704,421	3,822,701
Contribution deficiency (excess)	$ (1,111,077)	$ (1,427,419)	$ (1,462,912)	$ (990,621)	$ (1,110,516)
Covered payroll	$ 4,870,611	$ 4,817,441	$ 5,147,016	$ 4,985,305	$ 5,351,933
Contributions as a percentage of covered payroll	76.80%	83.77%	78.37%	74.31%	71.43%

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	20 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 Eight Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	5.58%	1.99%	3.55%	13.65%	-4.62%	19.30%	14.04%	11.76%

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

Four Most Recent Fiscal Years

	2018	2019	2020	2021
Total OPEB liability				
Service cost	$ 239,128	$ 217,222	$ 267,286	$ 826,820
Interest	362,783	404,163	364,216	451,992
Differences between expected and actual experience	-	-	2,924,734	-
Changes of assumptions	(737,720)	3,362,820	5,027,835	(684,480)
Benefit payments, including refunds of member contributions	(542,341)	(552,749)	(542,444)	(570,055)
Net change in total OPEB liability	(678,150)	3,431,456	8,041,627	24,277
Total OPEB liability - beginning	10,810,489	10,132,339	13,563,795	21,605,422
Total OPEB liability - ending	$ 10,132,339	$ 13,563,795	$ 21,605,422	$ 21,629,699
Total OPEB liability - City	$ 9,942,522	$ 13,331,000	$ 21,187,181	$ 21,216,572
Total OPEB liability - Library	189,817	232,795	418,241	413,127
Total OPEB liability - Total	$ 10,132,339	$ 13,563,795	$ 21,605,422	$ 21,629,699
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 20,695,903	$ 21,794,381	$ 23,807,136	$ 23,787,148
City's total OPEB liability as a percentage of covered-employee payroll	48.96%	62.24%	90.75%	90.93%

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, 2021

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
EXPENDITURES				
GENERAL GOVERNMENT				
City Council				
Personnel services	$ 160,564	$ 157,948	$ 156,763	$ 1,185
Materials and supplies	320,125	311,714	306,398	5,316
Total City Council	480,689	469,662	463,161	6,501
Administration				
Personnel services	607,283	617,516	624,069	(6,553)
Contractual services	141,396	140,396	145,788	(5,392)
Materials and supplies	56,405	67,980	65,701	2,279
Total Administration	805,084	825,892	835,558	(9,666)
Human resources				
Personnel services	353,525	348,019	345,204	2,815
Contractual services	47,987	36,157	34,866	1,291
Materials and supplies	101,125	99,929	64,519	35,410
Capital outlay	39,315	41,452	38,614	2,838
Total Human Resources	541,952	525,557	483,203	42,354
Communications				
Personnel services	160,506	163,343	163,701	(358)
Contractual services	53,659	52,551	51,570	981
Materials and supplies	63,845	63,249	62,603	646
Capital outlay	1,770	3,274	3,273	1
Total Communications	279,780	282,417	281,147	1,270
City Clerk				
Personnel services	187,343	174,017	175,102	(1,085)
Contractual services	40,215	41,735	40,439	1,296
Materials and supplies	1,430	990	628	362
Total City Clerk	228,988	216,742	216,169	573
Senior services				
Personnel services	407,918	368,150	345,521	22,629
Contractual services	32,336	32,236	32,013	223
Materials and supplies	91,025	80,600	53,267	27,333
Capital outlay	15,000	1,000	170	830
Total Senior Services	546,279	481,986	430,971	51,015
Legal Department				
Contractual services	825,856	837,264	815,183	22,081
Total Legal Department	825,856	837,264	815,183	22,081
Finance Administration And Accounting				
Personnel services	977,187	1,026,947	1,000,454	26,493
Contractual services	1,910,187	2,462,210	1,791,826	670,384
Materials and supplies	181,760	232,450	215,169	17,281
Reserve & contingency	552,800	552,800	-	552,800
Total Finance Administration And Accounting	3,621,934	4,274,407	3,007,449	1,266,958

CITY OF HIGHLAND PARK

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Facilities				
Personnel services	$ 427,860	$ 413,219	$ 395,055	$ 18,164
Contractual services	909,758	943,468	865,198	78,270
Materials and supplies	103,910	104,802	84,143	20,659
Capital outlay	635,100	668,896	267,132	401,764
Total Facilities	2,076,628	2,130,385	1,611,528	518,857
Less administrative reimbursements				
Administrative reimbursements	(1,724,200)	(1,724,200)	(1,724,200)	-
Total Less Administrative Reimbursements	(1,724,200)	(1,724,200)	(1,724,200)	-
Total General Government	7,682,990	8,320,112	6,420,169	1,899,943
PUBLIC SAFETY				
Police Department - Operations				
Personnel services	9,947,273	9,804,103	9,609,917	194,186
Contractual services	2,443,871	2,116,516	2,093,136	23,380
Materials and supplies	321,759	321,384	267,658	53,726
Capital outlay	103,202	111,265	106,840	4,425
Total Police Department - Operations	12,816,105	12,353,268	12,077,551	275,717
Fire Department - Operations				
Personnel services	7,680,532	7,859,594	7,851,418	8,176
Contractual services	1,093,937	1,477,186	1,472,443	4,743
Materials and supplies	193,535	257,050	204,129	52,921
Capital outlay	98,000	108,436	108,240	196
Total Fire Department - Operations	9,066,004	9,702,266	9,636,230	66,036
Total Public Safety	21,882,109	22,055,534	21,713,781	341,753
PUBLIC WORKS				
Public Works Administration				
Personnel services	578,972	579,435	571,461	7,974
Contractual services	151,164	151,164	150,685	479
Materials and supplies	12,220	12,220	9,304	2,916
Total Public Works Administration	742,356	742,819	731,450	11,369
Facilities				
Capital outlay	165,000	258,500	46,683	211,817
Total Facilities	165,000	258,500	46,683	211,817
Engineering				
Personnel services	702,167	701,397	694,167	7,230
Contractual services	175,525	153,122	120,542	32,580
Materials and supplies	11,810	34,113	32,407	1,706
Total Engineering	889,502	888,632	847,116	41,516

CITY OF HIGHLAND PARK

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Forestry				
Personnel services	$ 300,905	$ 300,763	$ 287,394	$ 13,369
Contractual services	570,964	562,955	557,290	5,665
Materials and supplies	23,070	31,079	30,786	293
Capital outlay	75,000	75,000	74,771	229
Total Forestry	969,939	969,797	950,241	19,556
Total Public Works	2,766,797	2,859,748	2,575,490	284,258
ECONOMIC AND PHYSICAL DEVELOPMENT				
Community Development				
Personnel services	2,505,152	2,495,104	2,443,046	52,058
Contractual services	479,817	554,520	477,747	76,773
Materials and supplies	56,591	52,461	36,715	15,746
Total Community Development	3,041,560	3,102,085	2,957,508	144,577
Economic Development				
Personnel services	169,875	171,712	166,006	5,706
Contractual services	17,665	18,665	17,764	901
Materials and supplies	265,100	419,318	347,685	71,633
Revenue sharing	451,000	451,000	575,468	(124,468)
Total Economic Development	903,640	1,060,695	1,106,923	(46,228)
Total Economic and physical development	3,945,200	4,162,780	4,064,431	98,349
COMMISSIONS				
Personnel services	34,555	35,275	30,857	4,418
Contractual services	64,785	52,365	39,310	13,055
Materials and supplies	9,720	9,320	6,875	2,445
Total Commissions	109,060	96,960	77,042	19,918
Total Expenditures	$ 36,386,156	$ 37,495,134	$ 34,850,913	$ 2,644,221

CITY OF HIGHLAND PARK

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
As of December 31, 2021

	Special Revenue Funds			
	Motor Fuel Tax	Emergency 911 System	Foreign Fire Insurance Tax	Environmental Sustainability
ASSETS				
Cash	$ 272,926	$ -	$ 449,702	$ 873,445
Receivables (net)				
Property taxes	-	-	-	-
Motor fuel tax allotments	110,679	110,820	-	-
Accounts	-	-	-	54,663
Prepaid items	-	-	359	-
Deposits	-	193,291	-	-
TOTAL ASSETS	$ 383,605	$ 304,111	$ 450,061	$ 928,108
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 1,292	$ -	$ -
Accrued liabilities	-	-	-	369
Due to other funds	-	135,484	-	-
Total Liabilities	-	136,776	-	369
Deferred Inflows of Resources				
Property taxes levied for future periods	-	-	-	-
Unavailable revenue for other	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Nonspendable for prepaid items	-	-	359	-
Restricted for streets	383,605	-	-	-
Restricted for public safety	-	167,335	449,702	-
Restricted for economic development	-	-	-	-
Restricted for affordable housing	-	-	-	-
Committed for sustainability initiatives	-	-	-	927,739
Committed for transportation	-	-	-	-
Assigned for debt service	-	-	-	-
Total Fund Balances	383,605	167,335	450,061	927,739
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 383,605	$ 304,111	$ 450,061	$ 928,108

Special Revenue Funds		Debt Service Fund	Capital Project Funds		
Multi-Modal Transportation	Affordable Housing	Debt Service	Tax Increment Financing - Ravinia	Tax Increment Financing - Briergate	Total Nonmajor Governmental Funds
$ 1,955,838	$ 2,407,674	$ 905,657	$ 756,709	$ 2,066,392	$ 9,688,343
2,809,413	-	1,347,197	358,830	909,600	5,425,040
-	-	-	-	-	221,499
94,334	-	-	-	-	148,997
-	-	-	-	-	359
-	-	-	-	-	193,291
$ 4,859,585	$ 2,407,674	$ 2,252,854	$ 1,115,539	$ 2,975,992	$ 15,677,529
$ 94,541	$ 21,250	$ -	$ -	$ -	$ 117,083
15,305	184	-	-	-	15,858
-	-	-	-	-	135,484
109,846	21,434	-	-	-	268,425
2,753,100	-	1,321,000	356,200	909,600	5,339,900
18,257	-	-	-	-	18,257
2,771,357	-	1,321,000	356,200	909,600	5,358,157
-	-	-	-	-	359
-	-	-	-	-	383,605
-	-	-	-	-	617,037
-	-	-	759,339	2,066,392	2,825,731
-	2,386,240	-	-	-	2,386,240
-	-	-	-	-	927,739
1,978,382	-	-	-	-	1,978,382
-	-	931,854	-	-	931,854
1,978,382	2,386,240	931,854	759,339	2,066,392	10,050,947
$ 4,859,585	$ 2,407,674	$ 2,252,854	$ 1,115,539	$ 2,975,992	$ 15,677,529

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Motor Fuel Tax	Emergency 911 System	Foreign Fire Insurance Tax	Environmental Sustainability
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Other taxes	-	-	-	-
Intergovernmental	-	-	184,415	-
Motor fuel tax	1,820,006	-	-	-
Payments in lieu of taxes and affordable units	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Public charges for services	-	667,284	-	516,240
Reimbursements	-	62,354	-	-
Interest income	454	610	50	287
Miscellaneous	-	-	-	-
Total Revenues	1,820,460	730,248	184,465	516,527
EXPENDITURES				
Current				
Public safety	-	16,688	204,565	-
Public works	-	-	-	-
Transit	-	-	-	-
Economic and physical development	-	-	-	70,219
Debt Service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	16,688	204,565	70,219
Excess (deficiency) of revenues over (under) expenditures	1,820,460	713,560	(20,100)	446,308
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(1,814,000)	(645,000)	-	(62,660)
Total Other Financing Sources (Uses)	(1,814,000)	(645,000)	-	(62,660)
Net Change in Fund Balances	6,460	68,560	(20,100)	383,648
FUND BALANCES - Beginning of Year	377,145	98,775	470,161	544,091
FUND BALANCES - END OF YEAR	$ 383,605	$ 167,335	$ 450,061	$ 927,739

Multi-Modal Transportation	Affordable Housing	Debt Service	Tax Increment Financing - Ravinia	Tax Increment Financing - Briergate	Total Nonmajor Governmental Funds
$ 2,617,559	$ -	$ 1,229,657	$ 367,939	$ 906,520	$ 5,121,675
329,443	140,000	-	-	-	469,443
-	-	-	-	-	184,415
-	-	-	-	-	1,820,006
-	1,018,750	-	-	-	1,018,750
55,617	17,416	-	-	-	73,033
222	-	-	-	-	222
76,165	-	-	-	-	1,259,689
1,101,609	-	-	-	-	1,163,963
568	3,249	8,438	205	570	14,431
72,191	-	-	-	-	72,191
4,253,374	1,179,415	1,238,095	368,144	907,090	11,197,818
-	-	-	-	-	221,253
2,740,474	-	-	-	-	2,740,474
1,007,116	-	-	-	-	1,007,116
-	316,100	-	(74,701)	-	311,618
-	-	925,010	-	-	925,010
-	-	275,618	-	-	275,618
3,747,590	316,100	1,200,628	(74,701)	-	5,481,089
505,784	863,315	37,467	442,845	907,090	5,716,729
24,772	-	-	-	-	24,772
-	-	-	-	-	(2,521,660)
24,772	-	-	-	-	(2,496,888)
530,556	863,315	37,467	442,845	907,090	3,219,841
1,447,826	1,522,925	894,387	316,494	1,159,302	6,831,106
$ 1,978,382	$ 2,386,240	$ 931,854	$ 759,339	$ 2,066,392	$ 10,050,947

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Motor fuel tax	$ 1,643,500	$ 1,643,500	$ 1,820,006	$ 176,506
Investment income	3,000	3,000	454	(2,546)
Total Revenues	1,646,500	1,646,500	1,820,460	173,960
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of revenues over expenditures	1,646,500	1,646,500	1,820,460	173,960
OTHER FINANCING USES				
Transfers out	(1,643,500)	(1,814,000)	(1,814,000)	-
Total Other Financing Uses	(1,643,500)	(1,814,000)	(1,814,000)	-
Net Change in Fund Balance	$ 3,000	$ (167,500)	6,460	$ 173,960
FUND BALANCE - Beginning of Year			377,145	
FUND BALANCE - END OF YEAR			$ 383,605	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 645,200	$ 645,200	$ 667,284	$ 22,084
Reimbursements	-	1,760	62,354	60,594
Investment income	2,000	2,000	610	(1,390)
Total Revenues	647,200	648,960	730,248	81,288
EXPENDITURES				
Contractual services	15,000	15,000	14,637	363
Materials and supplies	4,650	6,410	2,051	4,359
Total Expenditures	19,650	21,410	16,688	4,722
Excess of revenues over expenditures	627,550	627,550	713,560	86,010
OTHER FINANCING USES				
Transfers out	(645,000)	(645,000)	(645,000)	-
Total Other Financing Uses	(645,000)	(645,000)	(645,000)	-
Net Change in Fund Balance	$ (17,450)	$ (17,450)	68,560	$ 86,010
FUND BALANCE - Beginning of Year			98,775	
FUND BALANCE - END OF YEAR			$ 167,335	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Public charges for services	$ 135,000	$ 135,000	$ 516,240	$ 381,240
Investment income	-	-	287	287
Total Revenues	135,000	135,000	516,527	381,527
EXPENDITURES				
Personnel services	31,270	31,097	37,879	(6,782)
Contractual service	68,600	66,205	32,340	33,865
Total Expenditures	99,870	97,302	70,219	27,083
Excess of revenues over expenditures	35,130	37,698	446,308	408,610
OTHER FINANCING USES				
Transfers out	(50,000)	(62,660)	(62,660)	-
Total Other Financing Uses	(50,000)	(62,660)	(62,660)	-
Net Change in Fund Balance	$ (14,870)	$ (24,962)	383,648	$ 408,610
FUND BALANCE - Beginning of Year			544,091	
FUND BALANCE - END OF YEAR			$ 927,739	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 2,603,100	$ 2,603,100	$ 2,617,559	$ 14,459
Other taxes	358,000	358,000	329,443	(28,557)
Licenses and permits	27,000	27,000	55,617	28,617
Intergovernmental	100	100	-	(100)
Fines, forfeitures and penalties	14,000	-	222	222
Public charges for services	72,740	72,740	76,165	3,425
PACE RTA fare reimbursement	1,400,000	1,300,000	1,101,609	(198,391)
Investment income	7,200	7,200	568	(6,632)
Miscellaneous	76,475	71,534	72,191	657
Total Revenues	4,558,615	4,439,674	4,253,374	(186,300)
EXPENDITURES				
PUBLIC WORKS				
Personnel services	1,118,550	1,229,494	1,008,534	220,960
Contractual services	1,044,492	1,044,492	993,775	50,717
Materials and supplies	677,835	686,980	609,066	77,914
Capital outlay	170,000	170,000	129,099	40,901
Total Public works	3,010,877	3,130,966	2,740,474	390,492
TRANSIT				
Personnel services	1,396,097	1,157,067	938,305	218,762
Contractual services	43,357	43,357	36,028	7,329
Materials and supplies	48,065	48,065	32,783	15,282
Total Transit	1,487,519	1,248,489	1,007,116	241,373
Total Expenditures	4,498,396	4,379,455	3,747,590	631,865
Excess (deficiency) of revenues over (under) expenditures	60,219	60,219	505,784	445,565
OTHER FINANCING SOURCES				
Transfers in	-	58,000	24,772	(33,228)
Total Other Financing Sources	-	58,000	24,772	(33,228)
Net Change in Fund Balance	$ 60,219	$ 118,219	530,556	$ 412,337
FUND BALANCE - Beginning of Year			1,447,826	
FUND BALANCE - END OF YEAR			$ 1,978,382	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Payments in lieu of taxes and affordable units	$ 418,750	$ 418,750	$ 1,018,750	$ 600,000
Other taxes	45,000	45,000	140,000	95,000
Licenses and permits	12,000	12,000	17,416	5,416
Investment income	15,700	8,300	3,249	(5,051)
Total Revenues	491,450	484,050	1,179,415	695,365
EXPENDITURES				
Economic and physical development	608,385	600,985	316,100	284,885
Total Expenditures	608,385	600,985	316,100	284,885
Net Change in Fund Balance	$ (116,935)	$ (116,935)	863,315	$ 980,250
FUND BALANCE - Beginning of Year			1,522,925	
FUND BALANCE - END OF YEAR			$ 2,386,240	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 1,198,950	$ 1,198,950	$ 1,229,657	$ 30,707
Investment income	9,000	9,000	8,438	(562)
Reimbursements	64,325	64,325	-	(64,325)
Total Revenues	1,272,275	1,272,275	1,238,095	(34,180)
EXPENDITURES				
Principal	970,000	970,000	925,010	44,990
Interest and fiscal charges	296,100	296,100	275,618	20,482
Total Expenditures	1,266,100	1,266,100	1,200,628	65,472
Net Change in Fund Balance	$ 6,175	$ 6,175	37,467	$ 31,292
FUND BALANCE - Beginning of Year			894,387	
FUND BALANCE - END OF YEAR			$ 931,854	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 374,500	$ 374,500	$ 367,939	$ (6,561)
Investment income	2,400	200	205	5
Total Revenues	376,900	374,700	368,144	(6,556)
EXPENDITURES				
Contractual services	-	-	(74,701)	74,701
Total Expenditures	-	-	(74,701)	74,701
Net Change in Fund Balance	$ 376,900	$ 374,700	442,845	$ 68,145
FUND BALANCE - Beginning of Year			316,494	
FUND BALANCE - END OF YEAR			$ 759,339	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Property taxes	$ 969,600	$ 909,600	$ 906,520	$ (3,080)
Investment income	1,500	500	570	70
Total Revenues	971,100	910,100	907,090	(3,010)
EXPENDITURES				
Total Expenditures	-	-	-	-
Net Change in Fund Balance	$ 971,100	$ 910,100	907,090	$ (3,010)
FUND BALANCE, Beginning of Year			1,159,302	
FUND BALANCE, END OF YEAR			$ 2,066,392	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Municipal sales tax	$ 377,600	$ 377,600	$ 483,704	$ 106,104
Reimbursements	187,620	678,620	215,217	(463,403)
Investment income	16,700	4,800	4,138	(662)
Total Revenues	581,920	1,061,020	703,059	(357,961)
EXPENDITURES				
Capital Outlay	2,315,000	3,660,000	2,844,551	815,449
Total Expenditures	2,315,000	3,660,000	2,844,551	815,449
Excess (deficiency) of revenues over (under) expenditures	(1,733,080)	(2,598,980)	(2,141,492)	457,488
OTHER FINANCING SOURCES				
Transfers in	1,643,500	1,814,000	1,814,000	-
Total Other Financing Sources	1,643,500	1,814,000	1,814,000	-
Net Change in Fund Balance	$ (89,580)	$ (784,980)	(327,492)	$ 457,488
FUND BALANCE - Beginning of Year			2,239,406	
FUND BALANCE - END OF YEAR			$ 1,911,914	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
OPERATING REVENUES				
Water sales	$ 9,327,600	$ 9,403,872	$ 10,984,489	$ 1,580,617
Water/sewer permit fees	60,000	60,000	116,963	56,963
Miscellaneous	40,905	46,081	45,439	(642)
Total Operating Revenues	9,428,505	9,509,953	11,146,891	1,636,938
OPERATING EXPENSES				
Personnel services	2,509,398	2,496,275	2,180,144	316,131
Contractual services	1,290,994	1,388,802	1,283,778	105,024
Materials and supplies	348,464	378,037	329,299	48,738
Small tools and equipment	2,885,000	3,231,760	2,197,873	1,033,887
Administrative reimbursements	1,525,200	1,525,200	1,525,200	-
Total Operating Expenses	8,559,056	9,020,074	7,516,294	1,503,780
Operating Income	869,449	489,879	3,630,597	3,140,718
NONOPERATING REVENUES (EXPENSES)				
Investment income	42,000	11,000	8,437	(2,563)
Intergovernmental	244,000	266,170	661,745	395,575
Principal	(2,250,700)	(20,045,700)	(2,250,709)	(17,794,991)
Interest and fiscal charges	(1,048,500)	(1,279,000)	(1,154,772)	124,228
General obligation debt issued	-	18,024,700	17,956,513	(68,187)
Total Nonoperating Revenues (Expenses)	(3,013,200)	(3,022,830)	15,221,214	(17,345,938)
Net Income (Loss) - Budgetary Basis	(2,143,751)	(2,532,951)	18,851,811	(14,205,220)
ADJUSTMENTS TO GAAP BASIS				
Capital assets capitalized	-	-	2,071,715	2,071,715
Accrual of bonds issued	-	-	(17,956,513)	(17,956,513)
Depreciation	-	-	(1,580,988)	(1,580,988)
Principal paid	-	-	2,250,709	2,250,709
Total Adjustments to GAAP Basis	-	-	(15,215,077)	(15,215,077)
Change in net position	$ (2,143,751)	$ (2,532,951)	3,636,734	$ (29,420,297)
NET POSITION - Beginning of Year			17,890,003	
NET POSITION - END OF YEAR			$ 21,526,737	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
OPERATING REVENUES				
Sanitary sewer charges	$ 2,210,000	$ 2,210,000	$ 2,527,560	$ 317,560
Stormwater management fees	2,311,000	2,311,000	2,323,575	12,575
Water/sewer permit fees	25,000	25,000	33,572	8,572
Miscellaneous	34,681	34,681	35,146	465
Total Operating Revenues	4,580,681	4,580,681	4,919,853	339,172
OPERATING EXPENSES				
Personnel services	1,234,075	1,194,333	1,044,586	149,747
Contractual services	607,252	609,057	605,036	4,021
Materials and supplies	74,250	71,897	57,996	13,901
Small tools and equipment	4,160,000	4,539,100	3,552,601	986,499
Total Operating Expenses	6,075,577	6,414,387	5,260,219	1,154,168
Operating Income (Loss)	(1,494,896)	(1,833,706)	(340,366)	1,493,340
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	466,080	404,000	797,512	393,512
Investment income	20,400	16,300	12,107	(4,193)
Principal	(365,000)	(365,000)	(365,000)	-
Interest and fiscal charges	(96,900)	(96,900)	(67,164)	29,736
Total Nonoperating Revenues (Expenses)	24,580	(41,600)	377,455	419,055
Net Income (Loss) - Budgetary Basis	(1,470,316)	(1,875,306)	37,089	1,912,395
ADJUSTMENTS TO GAAP BASIS				
Capital assets capitalized	-	-	2,539,422	2,539,422
Depreciation	-	-	(2,045,392)	(2,045,392)
Principal paid	-	-	365,000	365,000
Total Adjustments to GAAP Basis	-	-	859,030	859,030
Change in net position	$ (1,470,316)	$ (1,875,306)	896,119	$ 2,771,425
NET POSITION - Beginning of Year			20,724,374	
NET POSITION - END OF YEAR			$ 21,620,493	

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services				
Parking lot collections	$ 389,600	$ 272,600	$ 228,594	$ (44,006)
Parking violations	188,200	84,615	91,849	7,234
Total Operating Revenues	577,800	357,215	320,443	(36,772)
OPERATING EXPENSES				
Personnel services	114,238	95,826	68,020	27,806
Contractual services	266,150	266,150	181,286	84,864
Materials and supplies	15,450	15,450	5,930	9,520
Small tools and equipment	190,000	190,000	14,880	175,120
Administrative reimbursements	199,000	199,000	199,000	-
Total Operating Expenses	784,838	766,426	469,116	297,310
Operating Income (Loss)	(207,038)	(409,211)	(148,673)	260,538
NONOPERATING REVENUES				
Investment income	11,500	5,800	3,958	(1,842)
Gain (loss) on sale of capital assets	-	-	(38,723)	(38,723)
Total Nonoperating Revenues	11,500	5,800	(34,765)	(40,565)
Net Loss Before Transfers and Adjustment to GAAP Basis	(195,538)	(403,411)	(183,438)	219,973
ADJUSTMENT TO GAAP BASIS				
Depreciation	-	-	(165,792)	(165,792)
Total Adjustment to GAAP Basis	-	-	(165,792)	(165,792)
Change in net position	$ (195,538)	$ (403,411)	(349,230)	$ 54,181
NET POSITION - Beginning of Year			2,976,588	
NET POSITION - END OF YEAR			$ 2,627,358	

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2021

	Equipment Maintenance and Replacement	Insurance	Totals
ASSETS			
Current Assets			
Cash and cash equivalents	$ 3,462,752	$ 2,239,292	$ 5,702,044
Receivables			
Accounts	(1,166)	28,743	27,577
Other	-	840,075	840,075
Prepaid items	649,493	-	649,493
Total Current Assets	4,111,079	3,108,110	7,219,189
Noncurrent Assets			
Net pension asset	873,858	-	873,858
Capital assets (net of accumulated depreciation)			
Construction in progress	734,461	-	734,461
Machinery, equipment and furnishings	14,574,455	-	14,574,455
Accumulated depreciation	(9,648,840)	-	(9,648,840)
Total Noncurrent Assets	6,533,934	-	6,533,934
Total Assets	10,645,013	3,108,110	13,753,123
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	140,898	-	140,898
Deferred outflows related to OPEB	185,974	-	185,974
Total Deferred Outflows of Resources	326,872	-	326,872
LIABILITIES			
Current Liabilities			
Accounts payable	198,221	6,722	204,943
Accrued liabilities	9,094	-	9,094
Unearned revenue	1,756	9,301	11,057
Total Current Liabilities	209,071	16,023	225,094
Noncurrent Liabilities			
Due within one year	14,488	3,808	18,296
Due in more than one year	514,821	15,232	530,053
Total Noncurrent Liabilities	529,309	19,040	548,349
Total Liabilities	738,380	35,063	773,443

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
As of December 31, 2021

	Equipment Maintenance and Replacement	Insurance	Totals
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	$ 835,999	$ -	$ 835,999
Deferred inflows related to OPEB	21,764	-	21,764
Total Deferred Inflows of Resources	857,763	-	857,763
NET POSITION			
Net investment in capital assets	5,660,076	-	5,660,076
Restricted for			
Municipal retirement	873,858	-	873,858
Unrestricted	2,841,808	3,073,047	5,914,855
TOTAL NET POSITION	$ 9,375,742	$ 3,073,047	$ 12,448,789

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2021

	Equipment Maintenance and Replacement	Insurance	Totals
OPERATING REVENUES			
Charges for goods and services	$ 4,286,198	$ 5,312,809	$ 9,599,007
Miscellaneous	44,098	-	44,098
Total Operating Revenues	4,330,296	5,312,809	9,643,105
OPERATING EXPENSES			
Personnel services	1,208,616	4,920	1,213,536
Contractual services	320,551	5,343,137	5,663,688
Materials and supplies	515,278	9,337	524,615
Repairs and maintenance	469,381	1,109	470,490
Small tools and equipment	32,925	-	32,925
Depreciation	688,146	-	688,146
Total Operating Expenses	3,234,897	5,358,503	8,593,400
Operating Income (Loss)	1,095,399	(45,694)	1,049,705
NONOPERATING REVENUES			
Investment income	19,333	865	20,198
Gain (loss) on sale of capital assets	87,497	-	87,497
Total Nonoperating Revenues	106,830	865	107,695
TRANSFERS			
Transfers in	22,660	-	22,660
Total Transfers	22,660	-	22,660
Change in net position	1,224,889	(44,829)	1,180,060
NET POSITION - Beginning of Year	8,150,853	3,117,876	11,268,729
NET POSITION - END OF YEAR	$ 9,375,742	$ 3,073,047	$ 12,448,789

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2021

	Equipment Maintenance and Replacement	Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	$ 4,332,051	$ 5,121,600	$ 9,453,651
Paid to suppliers for goods and services	(1,250,507)	(5,349,711)	(6,600,218)
Paid to employees for services	(1,319,783)	-	(1,319,783)
Net Cash Flows From Operating Activities	1,761,761	(228,111)	1,533,650
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	19,333	865	20,198
Net Cash Flows From Investing Activities	19,333	865	20,198
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers	22,660	-	22,660
Net Cash Flows From Noncapital Financing Activities	22,660	-	22,660
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,900,517)	-	(1,900,517)
Sale of capital assets	88,646	-	88,646
Net Cash Flows From Capital and Related Financing Activities	(1,811,871)	-	(1,811,871)
Net Change in Cash and Cash Equivalents	(8,117)	(227,246)	(235,363)
CASH AND CASH EQUIVALENTS - Beginning of Year	3,470,869	2,466,538	5,937,407
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,462,752	$ 2,239,292	$ 5,702,044

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2021

	Equipment Maintenance and Replacement	Insurance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	$ 1,095,399	$ (45,694)	$ 1,049,705
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	688,146	-	688,146
Changes in assets and liabilities			
Accounts receivable	1,399	(191,529)	(190,130)
Prepaid expense	260,766	-	260,766
Accounts payable	(173,138)	3,872	(169,266)
Accrued salaries	1,811	-	1,811
Net pension liability	(720,032)	-	(720,032)
Deferred outflows related to pensions	49,867	-	49,867
Deferred inflows related to pensions	492,422	-	492,422
Unearned revenue	356	320	676
Compensated absences	2,906	4,920	7,826
Deferred outflows related to OPEB	405	-	405
Deferred inflows related to OPEB	12,540	-	12,540
Total OPEB liability	48,914	-	48,914
NET CASH FLOWS FROM OPERATING ACTIVITIES	$ 1,761,761	$ (228,111)	$ 1,533,650

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

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, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for goods and services	$ 4,286,198	$ 4,286,198	$ 4,286,198	$ -
Miscellaneous	30,000	48,943	44,098	(4,845)
Public charges for services	-	16,335	-	(16,335)
Total Operating Revenues	4,316,198	4,351,476	4,330,296	(21,180)
OPERATING EXPENSES				
Personnel services	1,382,433	1,344,220	1,208,616	135,604
Contractual services	264,372	343,598	320,551	23,047
Materials and supplies	589,470	614,430	515,278	99,152
Repairs and maintenance	503,029	553,029	469,381	83,648
Small tools and equipment	2,367,684	3,332,579	1,933,442	1,399,137
Total Operating Expenses	5,106,988	6,187,856	4,447,268	1,740,588
Operating Income (Loss)	(790,790)	(1,836,380)	(116,972)	1,719,408
NONOPERATING REVENUES				
Investment income	30,200	24,400	19,333	(5,067)
Gain on sale of capital assets	13,000	13,000	87,497	74,497
Total Nonoperating Revenues	43,200	37,400	106,830	69,430
Net Loss Before Transfers and Adjustments to GAAP Basis	(747,590)	(1,798,980)	(10,142)	1,788,838
TRANSFERS				
Transfers in	-	22,660	22,660	-
Net Transfers	-	22,660	22,660	-
ADJUSTMENTS TO GAAP BASIS				
Capital assets capitalized	-	-	1,900,517	1,900,517
Depreciation	-	-	(688,146)	(688,146)
Total Adjustments to GAAP Basis	-	-	1,212,371	1,212,371
Change in net position	$ (747,590)	$ (1,776,320)	1,224,889	$ 3,001,209
NET POSITION - Beginning of Year			8,150,853	
NET POSITION - END OF YEAR			$ 9,375,742	

CITY OF HIGHLAND PARK

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
INSURANCE FUND
For the Year Ended December 31, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services				
Charges for goods and services	$ 5,213,059	$ 5,213,059	$ 5,312,809	$ 99,750
Total Operating Revenues	5,213,059	5,213,059	5,312,809	99,750
OPERATING EXPENSES				
Personnel services	-	-	4,920	(4,920)
Contractual services	5,863,503	5,599,461	5,343,137	256,324
Materials and supplies	6,750	12,295	9,337	2,958
Repairs and maintenance	1,500	1,300	1,109	191
Total Operating Expenses	5,871,753	5,613,056	5,358,503	254,553
Operating Income (Loss)	(658,694)	(399,997)	(45,694)	(154,803)
NONOPERATING REVENUES				
Investment income	-	-	865	(865)
Total Nonoperating Revenues	-	-	865	(865)
Change in net position	$ (658,694)	$ (399,997)	(44,829)	$ (155,668)
NET POSITION - Beginning of Year			3,117,876	
NET POSITION - END OF YEAR			$ 3,073,047	

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
As of December 31, 2021

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	$ 1,221,158	$ 4,258,318	$ 5,479,476
Investments			
U.S. Government and agency obligations	13,945,895	11,628,336	25,574,231
Corporate bonds	2,913,628	3,455,544	6,369,172
Mutual funds	35,450,443	36,649,962	72,100,405
Municipal bonds	3,418,189	3,228,447	6,646,636
Negotiable certificates of deposit	677,905	677,905	1,355,810
Receivables			
Accrued interest	113,355	96,163	209,518
Prepaid items	-	795	795
Due from primary government	70,894	72,023	142,917
Total Assets	57,811,467	60,067,493	117,878,960
LIABILITIES			
Accounts payable	21,490	5,910	27,400
Total Liabilities	21,490	5,910	27,400
NET POSITION			
Restricted for pension benefits	$ 57,789,977	$ 60,061,583	$ 117,851,560

CITY OF HIGHLAND PARK

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended December 31, 2021

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	$ 4,319,500	$ 3,822,701	$ 8,142,201
Plan members	615,819	503,963	1,119,782
Total Contributions	4,935,319	4,326,664	9,261,983
Investment income			
Investment income	2,507,970	2,640,695	5,148,665
Net appreciation in fair value of investments	3,724,424	3,794,209	7,518,633
Total Investment Income	6,232,394	6,434,904	12,667,298
Less Investment expenses	72,541	77,866	150,407
Net Investment Income	6,159,853	6,357,038	12,516,891
Total Additions	11,095,172	10,683,702	21,778,874
DEDUCTIONS			
Benefits	5,291,797	5,053,191	10,344,988
Administration	52,346	37,276	89,622
Total Deductions	5,344,143	5,090,467	10,434,610
Change in Net Position	5,751,029	5,593,235	11,344,264
NET POSITION - Beginning of Year	52,038,948	54,468,348	106,507,296
NET POSITION - END OF YEAR	$ 57,789,977	$ 60,061,583	$ 117,851,560

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.

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Financial Trends 137 - 143

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over

Revenue Capacity 144 - 149

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 150 - 153

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.

Demographic and Economic Information 154 - 155

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information 156 - 158

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.

FINANCIAL TRENDS

CITY OF HIGHLAND PARK

STATEMENT OF NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 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	$ 73,684,327
Restricted	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	13,783,143
Unrestricted	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)	(32,589,579)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	$ 105,800,164	$ 107,626,515	$ 111,454,705	$ 41,221,335	$ 39,223,249	$ 37,567,562	$ 26,289,979	$ 32,419,479	$ 40,630,675	$ 54,877,891
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 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	$ 40,672,937
Restricted	-	-	-	-	-	-	-	-	-	2,292,369
Unrestricted	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	2,809,282
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	$ 58,868,864	$ 58,272,311	$ 56,971,119	$ 45,710,318	$ 43,516,389	$ 41,748,361	$ 38,113,183	$ 39,149,518	$ 41,590,965	$ 45,774,588
PRIMARY GOVERNMENT										
Net investment in capital assets	$ 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	$ 114,357,264
Restricted	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	16,075,512
Unrestricted	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)	(29,780,297)
TOTAL PRIMARY GOVERNMENT	$ 164,669,028	$ 165,898,826	$ 168,425,824	$ 86,931,653	$ 82,739,638	$ 79,315,923	$ 64,403,162	$ 71,568,997	$ 82,221,640	$ 100,652,479

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ 4,753	$ 4,276	$ 7,062	$ 6,658	$ 3,454
Unrestricted										
Committed	22,809,678	18,234,000	18,150,000	-	-	-	-	-	-	-
Assigned	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	10,894,369
Unassigned	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	35,914,242
Subtotal general fund	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	46,812,065
% Change from prior year	10.5%	1.8%	2.4%	-39.2%	-5.9%	3.5%	13.8%	22.0%	8.4%	30.9%
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable	106,738	6,408	6,408	6,408	6,408	-	359	-	359	359
Restricted	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	7,226,502
Unrestricted										
Committed	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	2,906,121
Assigned	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	1,829,879
Unassigned										
Special Revenue Funds (deficit)	(65,787)	(53,194)	(52,514)	(61,165)	(61,207)	-	-	-	-	-
Subtotal all other funds	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	11,962,861
TOTAL GOVERNMENTAL FUNDS	$47,453,401	$48,490,720	$50,233,510	$32,464,691	$32,802,031	$32,018,450	$37,251,679	$42,940,414	$47,822,920	$58,774,926
% Change from prior year	10.1%	2.2%	3.6%	-35.4%	1.0%	-2.4%	16.3%	15.3%	11.4%	36.9%

CITY OF HIGHLAND PARK

CHANGE IN NET POSITION
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
Program Revenues										
Charges for services										
General government	$ 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	$ 3,837,328
Public safety	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	3,080,967
Public works	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	311,771
Economic/physical development	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	1,588,169
Transit	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	1,101,609
Operating grants	900,045	1,012,404	1,123,140	762,804	795,560	870,061	776,384	1,006,633	1,761,212	2,232,505
Capital grants	-	-	-	245,365	84,464	232,948	306,139	67,783	951,179	214,957
General Revenues										
Property taxes	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	16,703,364
Sales taxes	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	16,299,258
Other taxes	9,055,860	9,706,318	9,970,403	10,004,019	11,915,256	11,915,732	15,744,381	12,086,075	12,308,181	14,372,880
Coronavirus Relief Fund	-	-	-	-	-	-	-	-	1,365,211	-
Payment in lieu of taxes[1]	559,173	804,573	796,308	762,038	822,131	846,221	704,250	1,462,484	837,500	1,036,470
Other	5,286,685	1,461,767	2,434,222	(686,784)	269,876	363,329	896,614	3,890,504	1,569,450	374,553
Total revenues	49,750,773	47,063,339	50,122,713	46,412,668	48,938,833	49,385,139	56,134,554	57,430,443	53,669,925	61,153,831
Expenses										
General government	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	6,795,345
Public safety	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	24,534,088
Public works	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	8,089,501
Economic/physical development	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	5,546,643
Transit	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	1,633,403
Commissions	407,388	327,835	394,871	467,014	448,794	412,175	157,299	73,711	90,573	77,042
Interest	1,252,423	1,070,849	886,246	287,932	276,122	213,593	404,873	281,688	345,473	230,593
Total expenses	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	46,906,615
INCREASE (DECREASE) IN NET POSITION BEFORE TRANSFERS	$ 6,189,744	$ 2,070,751	$ 3,828,190	$ (4,909,338)	$ (1,930,086)	$ (1,655,687)	$ 3,335,886	$ 5,568,748	$ 7,981,791	$ 14,247,216
Transfers	(246,300)	(244,400)	-	8,523,384	(68,000)	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	$ 5,943,444	$ 1,826,351	$ 3,828,190	$ 3,614,046	$ (1,998,086)	$ (1,655,687)	$ 3,335,886	$ 5,568,748	$ 7,981,791	$ 14,247,216

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
BUSINESS-TYPE ACTIVITIES										
Program Revenues										
Charges for services										
Parking system	$ 804,608	$ 751,331	$ 782,300	$ 816,753	$ 795,851	$ 725,178	$ 798,021	$ 824,906	$ 241,873	$ 281,720
Water	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	11,146,891
Sewer	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	4,919,853
Country Club	2,755,685	2,415,774	2,220,787	5,381	-	-	-	-	-	-
Operating grants	156,940	70,533	118,280	70,270	78,919	84,794	99,323	306,891	227,277	1,459,257
Capital grants	-	121,000	-	-	-	-	-	-	-	-
Other	14,649	19,717	17,520	9,112	57,742	114,265	111,356	204,643	83,668	24,502
Total reveunes	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	17,832,223
Expenses										
Parking	1,006,413	922,176	988,547	1,031,108	935,125	940,746	930,884	861,071	631,353	634,908
Water	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	8,180,339
Sewer	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	4,833,353
Country Club	2,989,680	2,958,278	2,837,047	10,047	-	-	-	-	-	-
Total expenses	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	13,648,600
INCR./(DECR.) IN NET POSITION BEFORE TRANSFERS	(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	4,183,623
Transfers	246,300	244,400	-	(8,523,384)	68,000	-	-	-	-	-
INCR./(DECR.) IN NET POSITION	$ (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	$ 4,183,623

CITY OF HIGHLAND PARK

CHANGE IN NET POSITION (Continued)
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
TOTAL NET POSITION										
Program Revenues										
Charges for services	$ 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	$ 26,268,308
Operating grants	1,056,985	1,082,937	1,241,420	833,074	874,479	954,855	875,707	1,313,524	1,988,489	3,691,762
Capital grants	-	121,000	-	245,365	84,464	232,948	306,139	67,783	951,179	214,957
General Revenues										
Property taxes	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	16,703,364
Sales taxes	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	16,299,258
Other taxes	9,055,860	9,706,318	9,970,403	10,004,019	11,915,256	11,915,732	15,744,381	12,086,075	12,308,181	14,372,880
Coronavirus Relief Fund	-	-	-	-	-	-	-	-	1,365,211	-
Payment in lieu of taxes	559,173	804,573	796,308	762,038	822,131	846,221	704,250	1,462,484	837,500	1,036,470
Other	5,301,334	1,481,484	2,451,742	(677,672)	327,618	477,594	1,007,970	4,095,147	1,653,118	399,055
Total revenues	64,223,890	61,263,076	63,973,135	58,666,617	62,549,263	62,834,174	69,866,329	72,157,144	69,641,748	78,986,054
Expenses										
General government	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	6,795,345
Public safety	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	24,534,088
Public works	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	8,089,501
Economic/physical development	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	5,546,643
Transit	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	1,633,403
Commissions	407,388	327,835	394,871	467,014	448,794	412,175	157,299	73,711	90,573	77,042
Interest	1,252,423	1,070,849	886,246	287,932	276,122	213,593	404,873	281,688	345,473	230,593
Parking	1,006,413	922,176	988,547	1,031,108	935,125	940,746	930,884	861,071	631,353	634,908
Water	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	8,180,339
Sewer	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	4,833,353
Country Club	2,989,680	2,958,278	2,837,047	10,047	-	-	-	-	-	-
Total expenses	58,588,222	60,033,278	61,446,137	67,364,532	66,741,278	66,257,889	69,869,830	65,552,061	59,218,510	60,555,215
Prior period adjustment	-	-	-	-	-	-	-	-	-	-
INCR./(DECR.) IN NET POSITION	$ 5,635,668	$ 1,229,798	$ 2,526,998	$ (8,697,915)	$ (4,192,015)	$ (3,423,715)	$ (3,501)	$ 6,605,083	$ 10,423,238	$ 18,430,839
NET REVENUE/(EXPENSE)										
Governmental Activities	6,189,744	2,070,751	3,828,190	(4,909,338)	(1,930,086)	(1,655,687)	3,335,886	5,568,748	7,981,791	14,247,216
Business Type Activities	(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	4,183,623
TOTAL NET REVENUE/(EXPENSE)	5,635,668	1,229,798	2,526,998	(8,697,915)	(4,192,015)	(3,423,715)	(3,501)	6,605,083	10,423,238	18,430,839

CITY OF HIGHLAND PARK

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Property taxes	$ 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	$ 16,703,364
Personal property replacement taxes	277,134	307,228	316,285	337,267	298,849	315,598	286,914	356,704	318,803	559,662
Licenses and permits	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	2,057,305
Public charges for services	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	3,699,706
Municipal sales tax	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	16,299,258
Utility tax	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	2,401,266
Real estate transfer tax	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	3,147,040
Intergovernmental	143,993	263,124	236,260	154,025	159,333	245,195	155,971	178,438	207,113	596,914
State income tax	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	3,934,568
Franchise tax	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	1,452,817
Payment in lieu[1]	559,173	804,573	796,308	762,038	822,131	846,221	704,250	1,462,484	418,750	1,455,220
Other taxes	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	2,693,112
RTA[2] reimbursement	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	1,101,609
Reimbursements-other agencies	1,724,366	299,243	171,621	406,514	317,187	467,581	577,780	711,464	2,329,159	1,639,971
Fines, forfeitures, and penalties	965,723	1,188,128	1,078,662	867,656	514,271	423,287	562,122	559,376	146,786	174,516
Motor fuel tax	857,238	859,650	1,000,150	727,628	757,785	759,153	761,804	976,402	1,736,948	1,820,006
Interest income	757,419	714,584	735,415	72,025	244,636	322,252	707,738	915,732	499,588	215,804
Net change in fair value of investments	2,591,200	(1,575,000)	(636,166)	(3,150,000)	-	-	70,145	328,193	-	29,977
Miscellaneous	529,170	509,537	587,444	681,039	691,671	658,805	544,461	500,044	524,475	513,129
Total revenues	47,749,844	45,677,900	48,711,098	45,181,304	48,108,329	48,708,673	51,015,214	53,862,307	50,723,737	60,495,244
EXPENDITURES										
Current										
General government	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	6,420,169
Public safety	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	28,294,059
Public works	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	5,315,964
Transit	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	1,007,116
Commissions	158,314	143,580	145,798	217,940	186,720	163,101	157,299	73,711	90,573	77,042
Economic and physical development	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	4,376,049
Capital outlay	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	2,844,551
Debt service										
Principal	3,576,497	3,401,848	3,147,657	17,319,486	2,717,150	2,793,950	478,510	913,160	908,311	925,010
Interest and fiscal charges	1,265,413	1,088,749	979,411	325,655	302,340	240,967	448,082	326,712	390,495	275,618
Total expenditures	43,219,380	44,417,235	46,971,971	62,789,279	52,451,049	51,312,063	53,471,625	52,473,781	46,060,636	49,535,578
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 4,530,464	$ 1,260,665	$ 1,739,127	$ (17,607,975)	$ (4,342,720)	$ (2,603,390)	$ (2,456,411)	$ 1,388,526	$ 4,663,101	$ 10,959,666

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OTHER FINANCING SOURCES (USES)										
General obligation debt issued	$ 3,410,000	$ -	$ -	$ 646,800	$ 4,650,000	$ 705,162	$ 7,900,000	$ -	$ -	$ -
Premium on debt Issued	256,780	-	-	27,004	80,375	12,600	292,111	-	-	-
Payments to escrow agent	(3,628,143)	-	-		-	-	-	-	-	-
Transfers in	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	2,533,772
Transfers (out)	(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)	(2,556,432)
Sale of capital assets	14,555	21,054	3,663	7,000	17,655	1,102,047	534,505	3,739,457	-	15,000
Total other financing sources (uses)	(193,108)	(223,346)	3,663	(160,844)	4,680,030	1,819,809	7,689,640	3,739,457	(10,000)	(7,660)
NET CHANGES IN FUND BALANCES	4,337,356	1,037,319	1,742,790	(17,768,819)	337,310	(783,581)	5,233,229	5,127,983	4,653,101	10,952,006
FUND BALANCES, BEGINNING OF YEAR	43,116,045	47,453,401	48,490,720	50,233,510	32,464,691	32,802,031	32,018,480	37,251,679	42,940,414	47,822,920
Prior period adjustment	-	-	-	-	-	-	-	560,752	229,405	-
FUND BALANCES, BEGINNING OF YEAR, RESTATED	43,116,045	47,453,401	48,490,720	50,233,510	32,464,691	32,802,031	32,018,480	37,812,431	43,169,819	47,822,920
FUND BALANCES, END OF YEAR	$ 47,453,401	$ 48,490,720	$ 50,233,510	$ 32,464,691	$ 32,802,001	$ 32,018,450	$ 37,251,709	$ 42,940,414	$ 47,822,920	$ 58,774,926
DEBT SERVICE AS A % OF NONCAPITAL EXPENDITURES[1]	11.8%	10.6%	9.2%	29.1%	6.5%	6.3%	1.9%	2.6%	3.0%	2.5%

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
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%
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33%

Notes:
(1) Source: Lake County
(2) N/A - Information not yet available

CITY OF HIGHLAND PARK

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Levy Years
(Cents per hundred dollars)

Tax Levy Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
CITY DIRECT RATE										
Bond	0.170	0.183	0.145	0.136	0.129	0.033	0.052	0.052	0.053	N/A
Corporate	0.141	0.099	0.119	0.084	0.085	0.152	0.150	0.147	0.213	N/A
Firefighters Pension	0.077	0.116	0.116	0.113	0.121	0.128	0.129	0.125	0.128	N/A
Library	0.192	0.218	0.226	0.213	0.209	0.203	0.206	0.219	0.224	N/A
Police Pension	0.078	0.115	0.115	0.128	0.128	0.132	0.132	0.141	0.145	N/A
Street and Bridge	0.051	0.054	0.074	0.075	0.065	0.077	0.103	0.124	0.113	N/A
Street Construction	-	-	-	-	-	-	-	-	-	N/A
IMRF	-	-	-	-	-	-	-	-	-	N/A
School Crossing Guard	-	-	-	-	-	-	-	-	-	N/A
Public Benefit	-	-	-	-	-	-	-	-	-	N/A
Audit	-	-	-	-	-	-	-	-	-	N/A
Total Direct Rate	0.709	0.785	0.795	0.749	0.737	0.726	0.772	0.809	0.875	0.000
OVERLAPPING RATES										
County	0.608	0.663	0.682	0.663	0.632	0.622	0.612	0.597	0.598	N/A
Forest Preserve	0.212	0.218	0.210	0.208	0.193	0.187	0.182	0.180	0.182	N/A
Township	0.066	0.070	0.066	0.063	0.056	0.054	0.054	0.056	0.055	N/A
Sanitary	0.150	0.164	0.169	0.166	0.157	0.153	0.153	0.153	0.157	N/A
College of Lake County	0.272	0.296	0.306	0.299	0.285	0.281	0.282	0.282	0.290	N/A
High School	2.178	2.364	2.421	2.309	2.187	2.164	2.222	2.280	2.391	N/A
Elementary School	2.957	3.076	3.152	3.006	2.862	2.826	2.914	3.039	3.184	N/A
Mosquito Abatement	0.015	0.007	0.013	0.012	0.012	0.011	0.011	0.012	0.012	N/A
Park District	0.445	0.497	0.508	0.520	0.529	0.521	0.535	0.560	0.572	N/A
Total Overlapping Rate	6.903	7.355	7.527	7.246	6.913	6.818	6.966	7.157	7.442	0.000
Total Rate	**7.612**	**8.140**	**8.322**	**7.995**	**7.650**	**7.544**	**7.738**	**7.966**	**8.317**	**0.000**

Notes:
(1) Source: Lake County
(2) N/A - Information not yet available

CITY OF HIGHLAND PARK

PRINCIPAL TAXPAYERS
Current Year and Nine Years Prior

December 31, 2021				December 31, 2012			
Taxpayer[1]	Business/Service	Equalized Assessed Valuation[2]	as a % of Total EAV	Taxpayer[1]	Business/Service	Equalized Assessed Valuation	as a % of Total EAV
T Renaissance IL LLC	Business/Retail Center	$ 8,849,115	N/A	Metzler I Renaissance Place LP	Retail Property	$ 12,232,787	0.57%
Elston Avenue Real Estate Company LLC	Real Property	7,682,916	N/A	Midwest Family Housing LLC	Real Property	7,775,874	0.36%
Midwest Family Housing LLC	Real Property	7,681,045	N/A	Federal Realty Investment Trust	Business/Retail Center	6,790,504	0.31%
Albion Jacobs Highland Park LLC	Real Property	7,620,658	N/A	Highland Park Associates II LLC	Real Property	4,509,873	0.21%
Fedral Realty Investment Trust	Business/Retail Center	7,572,686	N/A	Klairmont Family Associates	Business/Retail Center	4,298,118	0.20%
Americana Associates	Real Property	6,687,284	N/A	Americana Apartments	Apartments	4,074,035	0.19%
SE McGovern House Transitory LLC	Real Property	5,330,200	N/A	Sunset Food Mart, Inc.	Retail Property - Grocery Store	3,739,993	0.17%
799 Central Ave 10775611 LLC	Real Property	4,533,786	N/A	Evergreen Real Estate Services	Real Property	3,188,922	0.15%
Sunset Food Mart, Inc	Business/Retail Center	4,252,803	N/A	RSV Partners	Real Property	2,875,316	0.13%
CSH Highland Park LLC	Real Property	4,141,601	N/A	LB & M Real Estate Management Inc	Real Property	2,869,621	0.13%
		$ 64,352,094	N/A			$ 52,355,043	2.42%
	2021 Total EAV[3]	N/A			2012 Total EAV	$ 2,163,303,908	
	Percentage of Total	N/A			Percentage of Total	2.42%	

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 parecels and their valuations have been overlooked. The 2021 EAV is the most current available for all taxpayers.

(2) Source: Lake County Clerk

(3) 2021 EAV not yet available

CITY OF HIGHLAND PARK

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Levy Years

Tax Levy Year	Tax Levy as Abated[1]	Current Taxes Collected: Fiscal Year Collected	Current Taxes Collected: Amount	Percent of Levy Collected	Delinquent Taxes Collected in Current Year[2]	Total Collections	Percent of Total Collections to Tax Levy
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%	-	16,254,541	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%
2020	20,127,819	2021	19,961,153	99.17%	-	19,961,153	99.17%

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.

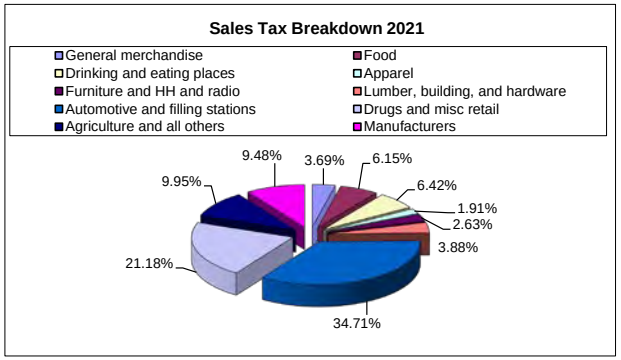
CITY OF HIGHLAND PARK

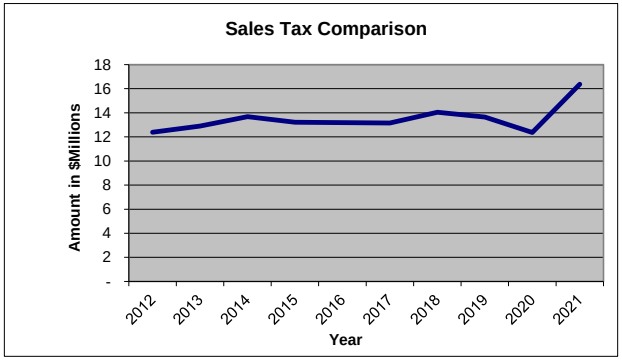
SALES TAX ANALYSIS BY SIC CODE
Last Ten Calendar Years

Municipal Sales Tax	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General merchandise	487,633	468,255	450,805	424,722	376,713	360,540	349,402	327,815	302,842	336,698
Food	825,884	833,519	892,527	848,504	785,021	793,953	749,836	744,541	798,115	778,352
Drinking and eating places	567,295	568,131	580,827	588,112	589,970	610,370	604,583	634,746	438,679	529,818
Apparel	386,460	270,411	266,663	260,993	231,345	197,947	196,188	162,282	86,798	156,260
Furniture and HH and radio	178,688	200,024	194,996	187,393	194,400	187,107	196,551	172,100	166,564	215,714
Lumber, building, and hardware	265,696	288,983	307,275	324,682	321,871	288,996	266,003	254,990	286,283	317,635
Automotive and filling stations	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	4,882,740
Drugs and misc retail	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	2,023,860
Agriculture and all others	583,516	629,981	700,733	842,241	725,046	714,869	768,559	770,403	685,964	894,537
Manufacturers	101,612	115,723	309,187	403,709	684,361	677,172	1,262,615	842,949	894,515	1,295,726
TOTAL	**8,118,187**	**8,567,033**	**9,270,135**	**9,041,588**	**9,112,937**	**9,087,983**	**9,902,285**	**9,593,375**	**8,892,630**	**11,431,341**
% Inc./Dec. from prev. year	**5.78%**	**5.53%**	**8.21%**	**-2.47%**	**0.79%**	**-0.27%**	**8.96%**	**-3.12%**	**-7.30%**	**28.55%**

Home Rule Sales Tax	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General merchandise	386,288	366,787	339,988	321,670	298,828	294,033	281,712	261,670	239,904	267,470
Food	202,292	238,547	259,062	261,177	221,744	212,651	203,551	196,656	186,945	228,955
Drinking and eating places	557,106	558,559	570,766	578,180	580,581	601,154	597,607	626,500	430,410	520,669
Apparel	380,597	264,977	260,367	254,457	226,511	197,899	195,841	162,284	86,798	156,001
Furniture and HH and radio	178,506	199,652	194,496	186,823	193,796	186,657	196,096	171,674	166,294	215,428
Lumber, building, and hardware	265,638	288,923	307,228	324,651	321,370	288,811	266,002	254,988	286,218	317,478
Automotive and filling stations	949,692	979,596	944,921	783,633	716,884	797,223	885,035	865,015	676,098	799,992
Drugs and misc retail	791,280	818,131	844,357	680,829	811,952	738,672	724,671	740,785	679,381	1,443,146
Agriculture and all others	461,354	505,781	550,876	663,022	555,023	562,801	599,406	591,187	543,649	734,789
Manufacturers	101,320	115,437	130,667	118,371	146,910	180,087	189,811	182,662	179,439	256,951
TOTAL	**4,274,073**	**4,336,391**	**4,402,727**	**4,172,814**	**4,073,599**	**4,059,986**	**4,139,733**	**4,053,420**	**3,475,136**	**4,940,880**
% Inc./Dec. from prev. year	**4.13%**	**1.46%**	**1.53%**	**-5.22%**	**-2.38%**	**-0.33%**	**1.96%**	**-2.08%**	**-14.27%**	**42.18%**

Total Sales Tax	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
General merchandise	873,921	835,042	790,793	746,392	675,541	654,574	631,114	589,485	542,746	604,168
Food	1,028,177	1,072,066	1,151,589	1,109,681	1,006,765	1,006,604	953,388	941,197	985,060	1,007,307
Drinking and eating places	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	1,050,487
Apparel	767,056	535,388	527,030	515,449	457,857	395,846	392,029	324,566	173,596	312,261
Furniture and HH and radio	357,194	399,676	389,492	374,216	388,196	373,764	392,647	343,773	332,858	431,143
Lumber, building, and hardware	531,334	577,906	614,503	649,333	643,242	577,808	532,005	509,978	572,501	635,113
Automotive and filling stations	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	5,682,733
Drugs and misc retail	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	3,467,006
Agriculture and all others	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	1,629,326
Manufacturers	202,932	231,160	439,854	522,080	831,271	857,258	1,452,427	1,025,611	1,073,954	1,552,677
TOTAL	**12,392,261**	**12,903,424**	**13,672,863**	**13,214,402**	**13,186,536**	**13,147,969**	**14,042,018**	**13,646,795**	**12,367,766**	**16,372,222**
% Inc./Dec. from prev. year	**5.21%**	**4.12%**	**5.96%**	**-3.35%**	**-0.21%**	**-0.29%**	**6.80%**	**-2.81%**	**-9.37%**	**32.38%**





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 %)

	Direct			Overlapping			
Fiscal Year	City Home Rule	City	Total Direct	State of Illinois	Lake County	Regional Transit Authority	Total Tax
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
2021	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[1]	Equalized Assessed Valuation[2]	General Bonded Debt[3]	Ratio of General Bonded Debt to Equalized Assessed Valuation	General Bonded Debt Per Capita
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
2021	30,176	N/A	49,727,458	N/A	N/A

Notes:

(1) Source: U.S. Census Bureau

(2) Source: Lake County Clerk

(3) Source: City records

(4) N/A - Information not yet available

CITY OF HIGHLAND PARK

OUTSTANDING DEBT BY TYPE AND RATIO OF TOTAL DEBT
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds[1,2] Governmental Activities	General Obligation Bonds[1,2] Business-Type Activities	Total Debt	Total Personal Income	Debt as a % of Total Personal Income	EAV	Debt to EAV Ratio	Estimated Population	Per Capita
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 [3]	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 [3]	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 [3]	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 [3]	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 [3]	53,282,479	2,679,615,576	1.99%	2,299,636,228	0.0232	29,628	1,798
2021	8,808,634	40,918,824 [3]	49,727,458	2,719,853,408	1.83%	N/A	N/A	30,176	1,648

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.
(5) N/A - Information not yet available

CITY OF HIGHLAND PARK

SCHEDULE OF DIRECT AND OVERLAPPING DEBT
December 31, 2021

Governmental Unit	General Bonded Debt	% of Debt Applicable to the City of Highland Park[1]	City of Highland Park Share of Debt
City of Highland Park	$ 8,808,634	100.0%	$ 8,808,634
Lake County	173,374,500	N/A	N/A
Lake County Forest Preserve District	196,753,600	N/A	N/A
North Shore Sanitary District	-	N/A	N/A
Deerfield Park District	67,100	N/A	N/A
Park District of Highland Park	11,706,500	N/A	N/A
School Districts			
District No. 106	-	N/A	N/A
District No. 109	16,475,700	N/A	N/A
District No. 112	58,574,000	N/A	N/A
District No. 113	84,576,400	N/A	N/A
College of Lake County	99,081,300	N/A	N/A
	640,609,100		N/A
	$ 649,417,734		N/A

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

(3) N/A - information not yet available.

CITY OF HIGHLAND PARK

SCHEDULE OF LEGAL DEBT MARGIN
December 31, 2021

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

Fiscal Year	Population[1]	Per Capita Income[1]	School Enrollment[2]	Unemployment Rate[3]	Total Personal Income[4]	Median Age[1]	College Degree[1]
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%
2021	30,176	90,133	5,014	3.7%	2,719,853,408	47.2	75.6%

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

2021			2012		
Employer	Approximate Employees	Percentage of Total Municipal Employment	Employer	Approximate Employees	Percentage of Total Municipal Employment
Highland Park Hospital	1,200	8.2%	Highland Park Hospital	1,200	8.2%
Township High School District 113	650 [1]	4.4%	School District No. 112	740	5.1%
North Shore School District 112	530	3.6%	Ravinia Festival	690 [1]	4.7%
North Suburban Special Education District	420	2.9%	North Suburban Special Education District	506	3.5%
City of Highland Park	250 [1]	1.7%	Township High School District No. 113	398	2.7%
Ravinia Festival	185 [1, 2]	1.3%	City of Highland Park	274	1.9%
First Bank of Highland Park	128	0.9%	Highland Park Public Library	97	0.7%
Aspiritech, NFP	120	0.8%	First Bank of Highland Park	94	0.6%
Dick Blick Holdings	100	0.7%	Highland Park Post Office	85	0.6%
Highland Park Post Office	85 [1]	0.6%	Mesirow Financial	70	0.5%
	3,668	25.1%		4,154	28.4%

Notes:

(1) Includes full-time and part-time employees

(2) Due to the pandemic, Ravinia Fest cancelled their 2020 season. As a result, their employment value decreased.

(3) Source: 2020/2021 IL Manufacturers Directory, the 2020/2021 IL Services Directory, and City records

OPERATING INFORMATION

CITY OF HIGHLAND PARK

OPERATING INFORMATION AND INDICATORS
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
FIRE PROTECTION										
Emergency responses	4,832	4,657	5,220	4,859	5,146	5,450	5,556	5,669	5,104	5,609
Fires extinguished	46	43	28	31	18	29	42	46	45	57
PUBLIC WORKS										
Asphalt placed (square yards)	2,035	2,154	3,120	3,644	3,450	3,000	2,800	3,086	2,045	3,998
Crack sealing (street miles)	3	3	5	4	4	6	6	-	-	-
Street-sweeping (hours)[2]	79	57	93	312	36	92	28	136	8	-
Number of mainbreaks repaired	101	104	106	44	49	50	57	52	63	83
POLICE PROTECTION										
Parking violations	8,730	8,060	6,673	6,502	6,082	5,536	4,487	5,261	2,302	2,513
Number of arrests	1,648	1,696	1,611	1,424	1,200	1,073	757	816	684	646
Number of traffic citations	4,725	4,626	3,439	2,837	2,317	1,650	1,889	1,718	1,651	3,600
FINANCE										
Number of water bills	42,248	42,324	42,320	42,424	42,380	42,413	42,371	42,232	42,173	42,273
Number of vendor checks	5,741	5,578	5,873	5,724	5,895	5,413	5,368	5,253	4,876	4,143
MUNICIPAL WATER SYSTEM										
Number of customers	10,436	10,445	10,443	10,422	10,422	10,469	10,441	10,434	10,430	10,430
Average daily consumption (million gallons)	9.0	8.6	7.9	7.7	8.6	7.5	8.1	9.0	9.0	8.8
Plant capacity (rated) - per day (million gallons)	21	21	21	30	30	30	30	30	30	30
Miles of water mains (approximate)	168	168	168	172	171	171	171	171	171	180
Number of fire hydrants (approximate)	1,680	1,680	1,680	1,700	1,773	1,773	1,773	1,773	1,773	1,804

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	2
Aerial Ladder Truck	-	-	-	-	-	1	1	1	1	1
Squad/Engine	-	-	-	-	1	1	1	1	1	2
Ambulances	3	3	3	3	4	4	4	4	4	3
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	14	14	14	14	14	14	14	14	14
PUBLIC WORKS										
Miles of water mains (approximate)	168	168	168	172	171	171	171	171	171	180
Number of fire hydrants (approximate)	1,680	1,680	1,680	1,700	1,773	1,773	1,773	1,773	1,773	1,804
Miles of storm sewer (approximate)	178	178	178	178	182	182	185	185	185	187
Number of street lights (approximate)	1,420	1,420	1,420	1,473	1,473	1,473	1,473	1,473	1,473	1,484
Miles of sanitary sewer (approximate)	130	130	130	130	131	131	131	131	131	134
MILES OF STREET										
Paved	154	154	154	154	154	154	156	156	156	157
Graded	2	2	2	2	2	2	2	2	5	7
TOTAL	156	156	156	156	156	156	158	158	161	164

Notes:
(1) Source: U.S. Census Bureau and City Records

CITY OF HIGHLAND PARK

FULL-TIME EQUIVALENT EMPLOYEES
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL GOVERNMENT	20.1	20.4	20.4	20.7	20.7	20.8	20.8	19.7	20.7	16.8
COMMUNITY DEVELOPMENT	20.8	21.1	22.1	22.6	24.6	27.3	27.3	27.3	27.3	23.1
FINANCE	13.3	13.3	13.3	13.3	13.0	13.3	13.3	13.3	13.3	12.0
FIRE										
Firefighters and officers	48.0	48.0	48.0	48.0	48.0	48.0	50.0	50.0	50.0	50.0
Civilians	5.5	6.5	6.7	6.7	6.7	4.0	2.0	2.0	2.0	1.6
POLICE										
Sworn personnel	55.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	57.0	56.0
Civilians	26.7	27.2	27.2	20.2	20.2	20.8	20.8	20.8	20.8	10.0
PUBLIC WORKS										
Maintenance workers	58.5	58.8	57.5	58.9	57.9	57.1	57.6	57.6	57.6	51.7
Engineering	4.0	4.0	4.0	4.0	4.0	5.0	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	275.9	280.2	280.2	275.3	276.1	277.3	277.8	276.7	277.8	250.2

Notes:
(1) City Records