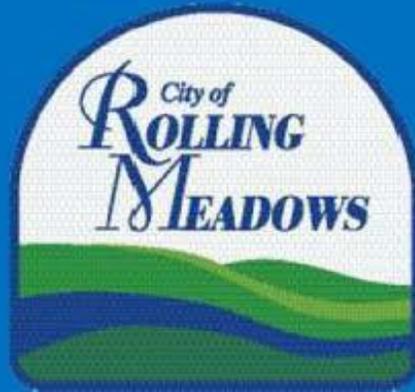


COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Rolling Meadows, 3600 Kirchoff Road, Rolling Meadows, IL 60008
847-394-8500 www.cityrm.org

CITY OF ROLLING MEADOWS, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2019

Prepared by the Finance Department

CITY OF ROLLING MEADOWS, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of Rolling Meadows, including:

- List of Principal Officials
- Organizational Chart
- Letter of Transmittal
- GFOA Certificate of Achievement for Excellence in Financial Reporting

CITY OF ROLLING MEADOWS, ILLINOIS

Principal Officials

December 31, 2019

LEGISLATIVE

Mayor: Joe Gallo

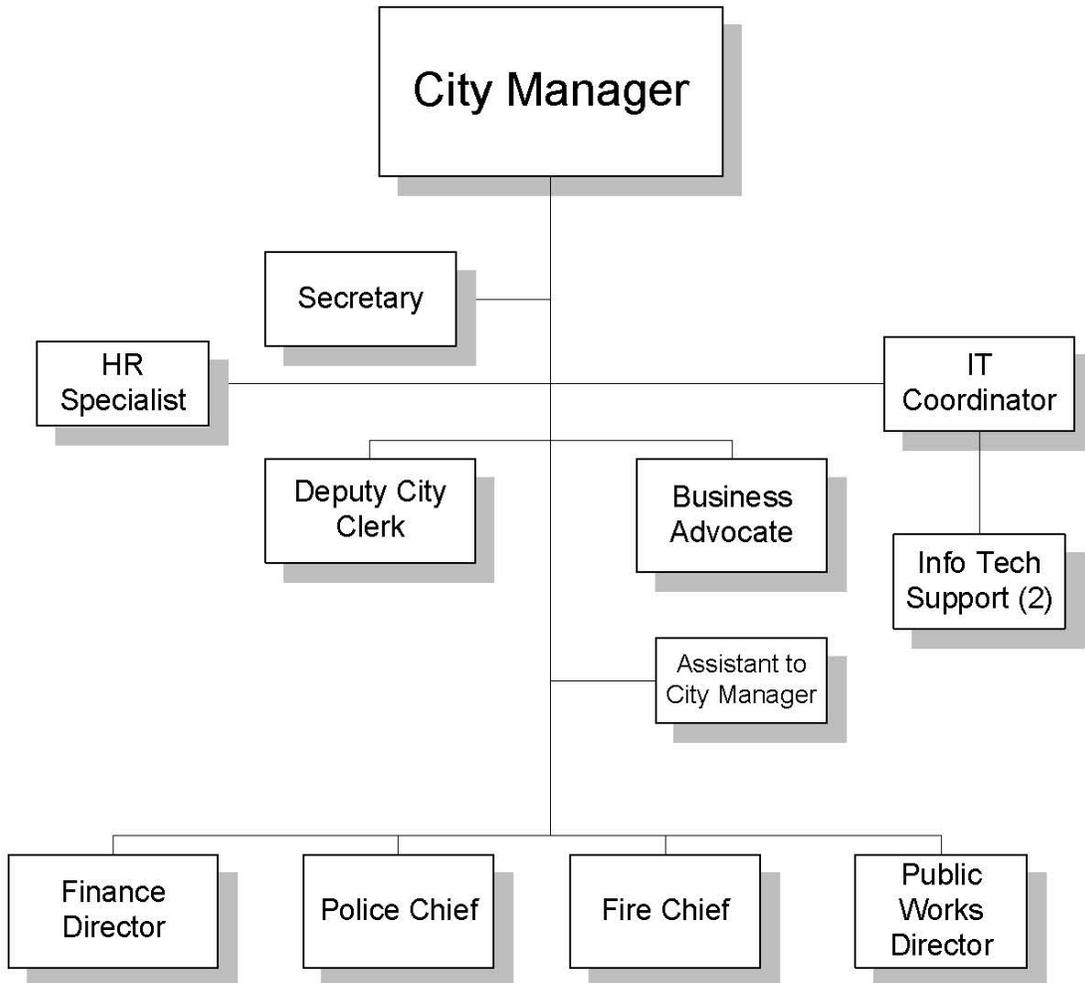
Deputy City Clerk: Judy Brose

Ward 1:	Mike Cannon, Alderman
Ward 2:	Nick Budmats, Alderman
Ward 3:	Kevin O'Brien, Alderman
Ward 4:	Jennifer Vinezeano, Alderman
Ward 5:	John Bisesi, Alderman
Ward 6:	John D'Astice, Alderman
Ward 7:	Lara Sanoica, Alderman

ADMINISTRATIVE

City Manager:	Barry Krumstok
Finance Director:	Melissa Gallagher
Public Works Director:	Rob Horne
Police Chief:	John Nowacki
Fire Chief:	Terry Valentino

City Departments





June 9, 2020

To the Mayor of the City of Rolling Meadows
Members of the City Council
Citizens and Businesses of the City of Rolling Meadows, Illinois

The Comprehensive Annual Financial Report (CAFR) of the **CITY OF ROLLING MEADOWS, ILLINOIS** for the Fiscal Year ended December 31, 2019, is hereby submitted. The submittal of this report complies with Illinois state law which requires that the City issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

For the year ended December 31, 2019, the licensed certified public accounting firm of Lauterbach & Amen, LLP, has issued an unmodified (“clean”) opinion on the City of Rolling Meadows financial statements. The independent auditors report can be found at the front of the financial section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the City of Rolling Meadows. The results of operations as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial affairs have been included.

This report includes all funds of the City (primary government), as well as its component units, the Rolling Meadows Public Library (discreetly presented component unit). Component units are autonomous entities for which the primary government is financially accountable.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of management’s discussion and analysis (MD&A). This letter of transmittal should be read in conjunction with the management’s discussion and analysis and the notes to the financial statements to obtain the most complete assessment of the City’s current financial status and its future prospects. The City’s Management’s Discussion and Analysis can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY OF ROLLING MEADOWS

The City of Rolling Meadows is located in northwest suburban Cook County, 27 miles from downtown Chicago, Illinois. Two major expressways serving the Northwest suburban area are the Northwest Tollway (Interstate 90), and Illinois Route 53 (also serving for part of its length as Interstate 290).

Rolling Meadows is part of the Chicago northwest suburban area that encompasses 32 communities along Interstate 90 from O'Hare Airport to Elgin, Illinois, referred to as the "Golden Corridor". The diversity of business and industry provides a stable economic base, which in turn creates outstanding municipal services, educational systems, health and human care agencies and recreational facilities.

The City of Rolling Meadows is centrally located within the "Golden Corridor" with O'Hare Airport approximately 10 miles east of the City. The City's development, like that of much of the Northwest, traces to the mid-1950s when the Illinois Toll Road and O'Hare International Airport were under construction. The early residential developer of the City (Kimball Hill) acquired approximately 537 acres of farmland immediately south of the Arlington Racetrack and broke ground for first single-family homes on July 21, 1953. At the time, the City incorporated on February 26, 1955, it had a population of 5,162. The City's current population as of the 2010 U.S. Census is 24,099.

The City operates under a City Manager form of government. The City Manager administers the City's day-to-day operations. The legislative authority of the City is vested in a seven-member council, each elected from their respective wards. The Mayor and City Clerk are elected at large. Each Alderman and the Mayor serve staggered, four-year terms with term limits.

The City provides a full range of municipal services with 160 full-time and 15 part-time persons working in Public Safety, Public Works, Planning and Zoning, Community Development, Economic Development, Information Technology, Finance and General Administration. The City maintains approximately 61 miles of streets and about 134 miles of parkway. The City operates its own water distribution system with sewage treatment provided by the Metropolitan Water Reclamation District. The City is a member of two joint ventures; the first is the Northwest Suburban Joint Action Water Agency (JAWA), which provides water from Lake Michigan through Chicago. The City also maintains a few deep water wells as reserves (In case of emergency, the City also has two emergency water connects, one with the Village of Palatine and the other with the Village of Arlington Heights. These communities are currently in a different water system acquiring water from the City of Evanston.) The second joint venture is the Solid Waste Agency of Northern Cook County (SWANCC), which provides solid waste disposal services. The City also owns and operates its own fleet of refuse vehicles (recycling is a contracted service).

The City also contracts with Northwest Central Dispatch for emergency 911 Dispatch services.

The Rolling Meadows Public Library is operated under an appointed board, which is separate from the City Council. Library Board positions are appointed by the City's Mayor (with consent of the City Council) and expire on a rotating basis. Library operations are administered by the Library Board, however, the City is required by state statute to include within its property tax levy and budget, the Library's requests. The Library does not have authority to issue debt, and must do so through the City. Thus, the Library is a component unit of the City. (The City performs many functions for the Library including Payroll, IMRF reporting, monthly bank reconciliations, and other items.)

In December 2013, Standard & Poor's Rating Services raised the City's long-term rating on the City of Rolling Meadows' general obligation bonds to AA+ from A+ based on Standard & Poor's Rating recently released local General Obligation criteria. Standard & Poor's cited the City's very strong budgetary flexibility, liquidity and strong budgetary performance among the reasons behind the increase in the credit rating. In November 2018 and March 2019, Standard & Poor's reviewed the City's credit rating as part of the comprehensive review for the issuance of general obligation bonds. Standard & Poor's reaffirmed the City's credit rating of an AA+ with a stable outlook with strong budget flexibility.

In November 2014, Moody's Investor Service upgraded Rolling Meadows' general obligation (GO) bond rating to Aa3 from a previous rating of A1, reflecting the agency's confidence in the City's overall financial health. The Moody's report cited a substantial increase in the City's reserve levels as well as a strong capacity to meet financial obligations. In March 2018, Moody's reaffirmed the City's bond rating of Aa3.

MAJOR INITIATIVES

The City is actively engaged in developing new strategies for economic growth and development. Economic Development continues to be a priority for the City of Rolling Meadows. The City encourages businesses to begin, grow and expand their businesses within the City limits.

Recent Accomplishments

Large commercial insurance broker **Arthur J. Gallagher & Company's** arrival represented the latest in a string of economic development activities that have transformed the Golf Road corridor over the last five years. **Arthur J. Gallagher & Company** moved its headquarters from Itasca to Rolling Meadows in 2017. The large insurance company invested more than \$85 million to upgrade buildings, garages, roadways and landscaping in the Meadows Corporate Center (2850 Golf Road) relocating 2,000 employees to this new location. The City approved the Golf Road Tax Increment Financing District (Golf Road TIF #4) in FY 2015, which provides a shortened TIF term of 15 years to help finance the redevelopment costs of the area. EAV Growth has nearly tripled from their arrival due to building improvements in the corporate campus area.

Building for the future, the City is re-investing in capital infrastructure projects such as water main replacements and local road reconstruction projects.

In 2019, a 1.75-mile stretch of Kirchoff Road between Hicks and Wilke Road, was resurfaced with the help of state and federal funding. Covering approximately 80% of the resurfacing costs, this import initiative upgrades a section of road in the City's downtown area.

In 2019, the City issued general obligation bonds to complete the final construction of the City's two, new Fire Stations and for three, significant water main replacement projects.

The City completed the Euclid Avenue bike path extension which runs between Rohlwing Road and Salt Creek Lane in Arlington Heights and continues into Florey Park in Rolling Meadows. It connects two existing bike paths and offers increased two-wheeled accessibility to the Rolling Meadows Library, area schools, and the Kirchoff Road shopping district. An intergovernmental agreement between Rolling Meadows and Arlington Heights helps local residents reap the benefits of the new path while reducing each side's financial contributions. In addition, Rolling Meadows secured grant funding for the project

from the State of Illinois Transportation Enhancement Program, which allows the City to recoup up to 80% of its engineering, design, and construction costs (up to \$691,000).

Recent surveys of the City's business community helped make changes in the City's permitting and licensing processing. The survey reinforced the City's reputation as a business-friendly community. The findings also helped foster ways to strengthen outreach and services to businesses (see below).

In FY 2019, highlights on the City's current economic development activities include:

- Meijer, one of the City's large grocery stores, completed a three-month, \$3.2 million renovation. New signage, redesigned departments, and updated checkout lanes are among the upgrades for shoppers. The project also resurfaced the 200,000 square foot facility's parking lot (which also has Tesla electric charging stations).
- The City's Business Newsletter called the "Business Messenger" is mailed quarterly to businesses to engage local businesses with the City. The quarterly newsletter is developed specifically to provide timely and accurate information on topics that affect local businesses. The Business Messenger also showcases local businesses each quarter.
- On the City's home webpage, the City's online "Community Portal" provides relevant, up to date information for residents and businesses. The interactive portal includes property information, local services and zoning classifications. In addition, there is a new Infrastructure Page to keep apprised of construction and other capital improvement projects across the City.
- The City hosted a Business & Community Showcase for local business leaders to network with other professionals and connect with customers.
- Restaurants looking to open in the City may apply for tax rebates and reduced permit fees through the City's Restaurant Incentive Program.
- The City welcomed more than 51 new businesses to the community, underscoring the City's continued economic growth and development effort.
- Busse's Flowers & Gifts opened at 3445 Kirchoff Road – moving their long-held family business from Mount Prospect to Rolling Meadows.
- School Health located at 5600 Apollo Drive opened its doors in 2019. The 112,505 square foot headquarters and office facility is a welcome addition in the area. Founded in 1957, School Health is a family-owned provider of health supplies and equipment to the U.S. education market. The combined warehouse and office facility incorporates design elements that foster improved employee productivity and collaboration, resulting in improved customer service and faster order processing.
- Located at 1937 S. Plum Grove Road, Hangout Café opened its doors and offers customers a variety of menu choices in a friendly atmosphere.
- Guests visiting the new Dunkin' at 1921 Algonquin Road are greeted by the very slogan – a play on the company's well-known marketing tagline, "American Runs on Dunkin'." Opened in November, it is the first Dunkin' in the Chicago area to implement the company's new "Dunkin'" branding approach. The 2,900 square foot facility also features two onsite conference rooms, a pick-up area for mobile orders, and new cold brew and espresso equipment.

Plans for 2020

Fiscal Year 2020 is expected to result in continued economic development across the City, hopefully leading to greater economic activity and growth in City sales tax, income tax, hotel taxed, food & beverage tax revenues and the newest revenue stream, video gaming revenue. In addition, the City will

begin to receive revenues from legal marijuana. As the City's recent Market Summary indicates, Rolling Meadows' daytime employment is estimated at 16,514.

For 2020, the City will enhance and expand its economic development activities:

- The City formed a U.S. Census Complete Count Committee to strive for an accurate and complete count of the City's residents. The City requested funds for a U.S. Census 2020 Outreach Grant from Cook County to raise awareness and encourage participation in the U.S. Census 2020 Census. Improving messaging about the U.S. Census and to promote response rates with a particular focus on the Hard-to-Count (HTC) communities are the goals of the grant. The City was awarded a \$25,000 grant for these activities in 2020.
- The City is planning its 3rd annual local business expo to encourage business-to-business networking and help residents learn more about companies will take place in the fall of 2020.
- The City will be actively engaged with the regional collaboration, Next Level Northwest, a community-based business accelerator.
- The Comprehensive Plan, the City's guide for future economic development, was completed in FY 2019. The City will also be updating its Zoning Code in FY 2020.
- There are several prospective businesses who are interested in space along the Kirchoff Road corridor to open video gaming cafes and/or full-service restaurants.
- The 11-acre parcel at the corner of Kirchoff Road and Meadow Drive (formerly the Dominick's Property) was purchased by Property Developer, M/I Homes of Chicago. When completed, Meadow Square will feature 106 two-and three-story townhomes starting at approximately \$305,000. These downtown homes will help drive foot traffic to stores and restaurants along Kirchoff Road.
- Arthur J. Gallagher & Company, recognized as one of "America's Best Employers" by Forbes Magazine, relocated to the Golf Road Corridor in March 2017. The fourth largest international insurance brokerage and risk management services firm, the business has reinvigorated a previously declining area. Arthur J. Gallagher Co. has submitted information to apply for a Class 7b incentive (commercial, non-industrial). The large insurance broker is weighing its options to expand its corporate footprint in Rolling Meadows, Illinois, versus Houston, Texas. The company has proposed plans to build a new building and create more than 700 jobs.
- Continued efforts to further improve traffic flow and accessibility will take place in FY 2020 for the Golf Road corporate campus with additional traffic studies and planned upgrades to the Golf/Ring Road intersection. Pedestrian pathways are also being evaluated.
- Holiday Inn (3405 Algonquin Road) and Holiday Inn Express (3477 Algonquin Road) hotels have embarked on a redevelopment program that will convert the existing Holiday Inn to an Aloft Hotel – a brand known for its contemporary architectural design. The City Council approved an application for a Cook County 7B tax incentive which helps commercial properties become economically feasible.

- Former Nic's Organic Fast Food site (2101 Plum Grove Road) has been purchased by operators of Burrito Parilla Mexicana, a fresh Mexican restaurant concept with nine (9) existing locations throughout the western Chicago suburbs. As planned, they should open during June or July 2020. Construction is underway.
- Owners of proposed Leaky Keg Brewery have received necessary zoning and other approvals to operate a microbrewery with a tasting room and other activities at 5100 Newport Drive in Rolling Meadows. Planned opening date of the new business targeted for late summer/fall 2020.
- The former Gabutto Burger location (1410 Golf Road) is converting to a new Tacos Jerez restaurant location. Construction items nearly complete.
- A new Rosati's Pizza location (2631 Kirchoff Road) build out continues. Restaurant opening date to be determined sometime in 2020.
- Teriyaki Madness, a national restaurant group, have signed a lease for the vacant location at 1319 Golf Road (formerly The Joint, adjacent to Jimmy John's Sandwiches). Plans have been submitted and are under review. Restaurant opening date is expected during late summer 2020.

The City Council approved a nearly \$1 million contract with Tyler Technologies to license Enterprise Resource Planning (ERP) software that will bring together the City's current, independent operating platforms into one streamlined system. The goal is to modernize operations and improve delivery of customer service to residents and businesses. The multi-year project will eventually offer expanded web-based services, such as online utility billing, and allow residents to track service requests.

To take advantage of interest savings, the City issued general obligation bonds in December 2018 and in March of 2019 for the fire stations projects and also for underground utilities capital infrastructure projects (watermains).

Continuing the success of the City's Community Events Program, the City held a full-line up of community events with live music, markets and other activities. The City held an expanded lineup of Farmers & Food Truck Markets, a summer block party along Kirchoff Road and events such as Taste the Town (held in March); Wine-Down-By the Creek and a Parking Lot Party (each with live music); and in December held a special Holiday Tree Lighting with a spaghetti dinner. In addition, the City displayed commemorative street banners which were customized for residents and businesses who sponsored the banners.

The City makes the City Council Meetings available on the local Rolling Meadows Broadcast Network (Channel 6) (accessible from Comcast and Wide Open West) and viewers may stream meetings on computers, tablets or other mobile devices by visiting www.cityrm.org/609/Live-Feed. Rolling Meadows Broadcast Network (Channel 6) highlights videos of fun-filled community events that take place over the year.

The City's 2019 National Night celebration set a record of nearly 3,500 people who came together to honor Rolling Meadows police officers and celebrate community pride. More than fifty local businesses and organizations sponsored or participated in the celebration. Guests at the event enjoyed performances by stunt dogs, mock sword battles by the knights of Medieval Times, law enforcement vehicle displays;

a “star spangled” performance of our National Anthem by the Chicago Cubs’ Wayne Messmer; and a fireworks display.

Long-Term City Initiatives

The City’s economic development long term activities are focused on the following efforts:

- Retention, redevelopment and expansion of existing retail, commercial and industrial buildings and properties;
- Recruiting new desirable commercial enterprises;
- Partnering with local businesses to provide information and resources and to strengthen the public-partnership between government and business.

Economic Development Committee & Accomplishments

The City established an Economic Development Committee (EDC) in 1988 to encourage greater cooperation with the private sector in attracting and retaining business and industry. The committee is comprised of members of commercial and retail sectors, City staff and elected officials. The committee tries to meet monthly on the first Tuesday of the month.

In 1996, the EDC formulated a policy statement to help guide future economic development activity. Pursuant to the EDC’s policy statement, the City seeks opportunities to forge partnerships with enterprises, which will enhance the City’s development with diverse, high quality and high revenue generating types of commercial, office and manufacturing projects that conform to the City’s Comprehensive Plan and development goals, objectives and policies.

Since 2000, the Economic Development Committee has recommended approval for twenty-six 6B and three Class C Cook County Incentive Programs which has resulted in multi- million-dollar rehabilitation/renovation of the buildings, reoccupation of nearly 1,000,000 square feet of industrial space in Rolling Meadows and approximately 3,000 new employees.

The Economic Development Committee meets regularly to review develop new services and programs to attract new businesses and to expand existing business activities.

In FY 2019, the EDC members provided ideas for the City’s Business & Community Showcase, attended ribbon cutting ceremonies, connected with business leaders and the Rolling Meadows Chamber of Commerce, developed a “Restaurant Incentive Plan”, held meetings with existing and prospective businesses, updated the City’s outdoor seating guidelines and kept in close contact with local businesses for business retention.

In FY 2019, the City revised its Comprehensive Plan which serves as the main blue print for development and land use in Rolling Meadows. The new plan was shaped by extensive feedback received from residents, business owners, and other community stakeholders.

Redevelopment Relating to Tax Increment Financing Districts

TIF District No. 1 – Kirchoff and Meadows (created 1988 and terminated in 2012) expired on December 31, 2012. Chicago-based Clark Street Development took full control of the former Dominick’s property at the southeast corner of Kirchoff Road and Meadow Drive with plans to upgrade the shopping center and to attract new businesses to Rolling Meadow’s downtown. The TIF was terminated in 2012 (remaining funds were distributed to taxing bodies).

TIF District No. 2 – Riverwalk Condominiums and Retail Space (created 2002 and remains active) – In January 2003, the City entered into a redevelopment agreement with Salt Creek Development Corporation. The site now houses three buildings with 124 condominiums and 14,000 square foot of commercial / office space. A fourth building, originally planned, was not built. The City owns the land and uses it as a green space. In 2013, the City refunded the General Obligation Bonds associated with this TIF for a little more than \$60,000 in interest savings for taxpayers. At this point in time, there is no redevelopment activity for the fourth parcel.

TIF District No. 3 – Route 53 / Algonquin Road (created 2004 and terminated in 2013) – Working with a developer at the time, the City implemented Tax Increment Financing District No. 3 for the redevelopment of the southwest corner of Algonquin and Route 53 into a 43-acre mixed use development. Due to the economy, the developer abandoned the proposed project. However, a new developer has purchased the 40-acre existing residential development and is the process of redeveloping and improving the site. The close proximity to Woodfield Mall and the Renaissance Hotel and Convention Center in Schaumburg make this an attractive development parcel. However, lower than expected Equalized Assessed Valuation has not produced additional tax increment dollars. In January and February, 2013, the City held discussions on the future of this TIF including the possibility of dissolving the TIF. The City Council terminated TIF #3 by Ordinance 13-33 on August 13, 2013. The City Council approved Resolution 13-R-96 to amend the FY 2013 Budget to use General Fund reserves to eliminate a negative fund balance of \$131,238 in the TIF #3 Woodfield Fund.

TIF District No. 4 – Golf Road (created in 2015) – TIF #4 was created July 28, 2015. As mentioned previously, large commercial insurance broker **Arthur J. Gallagher Insurance** relocated its headquarters from Itasca to Rolling Meadows in March 2017. Arthur J. Gallagher Insurance invested more than \$85 million to upgrade buildings, add garages and roadways and landscaping in the Meadows Corporate Center (2850 Golf Road) relocating approximately 2,000 employees to the new location. The City approved the Golf Road Tax Increment Financing District with a shortened TIF term of 15 years to help finance the redevelopment costs of the area.

LOCAL ECONOMY

The City has a strong property tax base and diverse mix of retail, service and manufacturing businesses. Rolling Meadows is centrally located and enjoys excellent regional transportation connections. Approximately, 290,000 people live within five miles of downtown Rolling Meadows (Kirchoff Road) and another 149,000 work within that area. Businesses, large and small, consider relocating to the City due its strategic location in the Northwest suburbs. The City is just eight miles from O’Hare International Airport with high-traffic visibility along major expressways. The City has a business-friendly community and has approximately five million square feet of prime, Class A office space.

Redevelopment of commercial and industrial properties has added to increases in property values across the City.

The City's unemployment rate as of December 2019 was approximately 3.4%. The City's population as of the 2010 U.S. Census is 24,099. Family households make up approximately 67% of Rolling Meadows households. The median household income is approximately \$65,000, higher than the median Cook County and comparable to income levels in the seven county metropolitan area. Homeownership is predominant in Rolling Meadows as 70% of households are owner-occupied.

The U.S. Census Complete Count Committee's efforts will help yield a complete count of the City's population. Census results have wide-ranging implications at the national and local levels, so it is critical that all Rolling Meadows residents take part in the 2020 Census.

As mentioned previously, the City updated its Comprehensive Plan to refine the City's vision, engage residents and community partners in helping identify programs and policies to shape the future. The City's median age is 38, meaning its population is slightly older than Cook County and the region, which are 36 and 37 respectively. Rolling Meadows is a diverse community—27% of its population was born in another country and 36% of residents speak a language other than English at home. As mentioned before, the City is enhancing its investment into capital projects which help the overall economy, residents and businesses. Residents and visitors have smooth access to a connected, efficient transportation network that facilitates mobility and accessibility.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

Management of the City of Rolling Meadows is responsible for establishing and maintaining an internal control structure. The internal control structure is designed to ensure that the assets of the City are protected from loss, theft, fraud, misappropriation or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. This structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, the City of Rolling Meadows maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, certain special revenue funds, capital project funds, debt service funds, enterprise funds, and internal service funds are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

RELEVANT FINANCIAL POLICIES THIS YEAR

In order to insure that the City continues to meet its immediate and long term service goals, several financial policies and procedures have been implemented by management. Highlighted are some of the more pertinent policies that the City followed in FY 2019:

- Issued a Comprehensive Annual Financial Report within 180 days of the end of each fiscal year that complies with generally accepted accounting principles.
- The Ad-Hoc Capital Improvements Committee continues to review capital projects and offer recommendations for long-term capital improvements.
- The City is committed to holding strong fund balance reserves and has only one negative fund. TIF #2 (Kirchoff/Owl) holds a negative fund balance position and is estimated to become positive by the end of its TIF term in 2025.
- The City adopted a Fund Balance Policy for the General Fund in FY 2014 which the City shall strive maintain a General Fund Unassigned Balance (available) from 15% to 30% of General Fund operating expenditures. The City will review this policy on an annual basis.
- In FY 2015, the City Council adopted a Fund Balance Policy for the Refuse Fund which the City shall strive to hold an amount known as Current Net Position ranging from 30% to 50% of the Refuse Fund's operating expenditures. The City will review this policy on an annual basis.
- In FY 2016, the City Council adopted a Fund Balance Policy for the 911 Fund to strive to hold between one to one and half times the annual expenditures for the 911 Fund. The City will review this policy on an annual basis and will prepare for a large capital purchase that all Northwest Central communities are dealing with.
- In FY 2019, the City Council adopted a Fund Balance Policy for the Garage Fund to strive to hold a fund balance between \$1.0 million and \$1.5 million.
- Posted on the City's website employees' salary and benefit data, as a continued transparency initiative (providing this data since 2011).
- As required by Public Act 97-0609, the City posted employee compensation data for Illinois Municipal Retirement Fund (IMRF) employees who are expected to receive compensation greater than \$75,000. The City took this mandate one step further, to enhance transparency, and published this data for all employees.
- City refinanced General Obligation Bonds worth more than \$2.0 million dollars which will save a little more than \$60,000 over the next five years. The bonds were originally issued to pay for redevelopment costs at the mixed use Riverwalk development on Kirchoff Road (the City's TIF #2 Fund).
- Staff and the City Council discussed long-range financial planning in 2011 and 2012 during its budget discussions. One of the goals discussed was reviewing the City's outstanding debt. In 2012, the City refunded nearly \$10 million worth of general obligation bonds to save taxpayers approximately \$750,000 over the next 12 years. [In 2013, the City refunded general obligation bonds to maximize its interest savings over the long-term.]
- Prepared and reviewed monthly revenue, expenditure and cash balance reporting for all funds with particular focus on the General Fund to the City Council. These financial reports ensure that

the City Council is made aware of any variances from the appropriated budget. (The budget document continues to be revised and made easier to understand.)

- Adhered to a capitalization policy which establishes the capitalization thresholds and estimated useful lives of fixed assets.
- Mid-year prior to the presentation of the proposed budget, the City prepares a five-year capital plan with a five-year financial forecast which outlines management's intentions regarding capital asset purchases and infrastructure improvements.
- Followed a purchasing policy to ensure that goods and services are obtained in a timely manner at the lowest possible cost.
- Followed a written credit card policy for all business-related credit card purchases. Employees must sign a credit card policy agreement prior to a city-issued credit card may be issued.
- Adhered to an investment policy which invests public funds in a manner which protects principal, maximizes return for a given level of risk and meets the daily cash flow needs of the City.
- In June, the City complied with the state-mandated annual treasurer reporting requirements. The report is published in a local newspaper and posted on the City's website at www.cityrm.org under the Finance Department page.

PENSION TRUST FUNDS AND POST EMPLOYMENT BENEFITS

Three pension plans are established by state statute, which cover City employees. The benefits and funding of each plan are determined by state statute, and each plan provides retirement, disability and death benefits for participants. The City of Rolling Meadows is committed to fully funding the pension funds each year per the actuarial report.

In December 2010, the Illinois General Assembly approved pension reform legislation that pushed the 30-year closed amortization period to 2040 with a funding target of 90%. The City of Rolling Meadows' maintains the financially prudent approach to continue funding at the 2033 mark with a funding target of 100%. The Firefighters' and Police Pension Funds are fully funded through an annual property tax levy and are funded at the 2033 amortization target vs. 2040. In addition, the City of Rolling Meadows has made additional funding contributions beyond the annual actuarial amount for both the Fire and Police Pension Funds.

Firefighters contribute 9.455% of their annual base salary, and police officers contribute 9.91% of their annual base salary. Sworn firefighters and police officers hired after July 1986 contribute to Medicare (1.45% of taxable income).

The City of Rolling Meadows worked with the private actuary to ensure that the actuarial report for the Police and Fire Pension was current and the actuarial valuation matched the fiscal year. This was accomplished for this audit year. Based on December 31, 2019, the Net Position as a Percentage of the Total Pension Liability for the Police Pension Fund is 59.95% and for the Fire Pension Fund is 51.05%.

The Illinois Municipal Retirement Fund (IMRF) pension plan covers civilian employees working at least 1,000 hours within a 12-month consecutive time period. Funding for this pension plan is made through contributions from the employer (actuarially determined annually by the IMRF) and employees of the City (established at 4.5% of total compensation). Employees covered under this pension plan also contribute to Social Security (4.2% of salary capped annually) and Medicare (1.45% of total compensation). The IMRF pension plan's Net Position as a Percentage of the Total Pension Liability as of December 31, 2019 is 90.91%.

The City also provides post-retirement health care benefits for retirees and their dependents. The City finances these benefits on a pay-as-you-go basis. Retirees pay 100% of their health care premiums.

RISK MANAGEMENT

The City of Rolling Meadows participates in two public entity risk pools to protect against casualty and health-risk losses. The Intergovernmental Personnel Benefit Cooperative (IPBC) insures employee health, accident and life claims and the Intergovernmental Risk Management Agency (IRMA) insures general liability, first-party property losses, third-party liability claims, workers' compensation claims and public official liability claims.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Rolling Meadows for its comprehensive annual financial report for the fiscal year ended December 31, 2018. This was the thirty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the City an Award of Outstanding Achievement in Popular Annual Financial Reporting the FY 2018 Popular Annual Financial Report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award for the FY 2019 Budget.

The Illinois Policy Institute recognized the City of Rolling Meadows with the Sunshine Award which honors taxpayer-funded organizations for their commitment to transparency. With achieving 100% of the rating (one of 76 communities in Illinois), the City of Rolling Meadows provides its residents and businesses access to information on its operations through the City's newly, designed website.

ACKNOWLEDGMENTS

The preparation of this report was made possible by the dedication and hard work of the entire Finance Department Staff. In particular, I would like to acknowledge Finance Director, Melissa Gallagher, and Senior Accountants Laura Matz and Diana Schoeneck, Utility Billing Accountant Debbie Rybarczyk, Accountant, Shelley Dulmage, and the City's two Part-Time Cashiers, Susan Harris, Marti McNally and all City Departments (and Department Heads) who assisted and contributed to the preparation of this report. Also, I would like to thank Lori Ciezak, Deb Austerlade, Judy Brose and Joyce Deleon in Administration. City Departments provide excellent service and work for the City.

Additionally, we would like to acknowledge the Mayor and City Council for their leadership and support in planning and conducting the financial operations of the City, which has made preparation of this report possible.

Respectfully submitted,



Barry Krumstok
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Rolling Meadows
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City of Rolling Meadows' independent auditing firm.



INDEPENDENT AUDITORS' REPORT

June 9, 2020

The Honorable City Mayor
Members of the City Council
City of Rolling Meadows, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rolling Meadows Public Library, a discretely component unit or the Police Pension Trust Fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rolling Meadows Public Library, a discretely component unit, and the Police Pension Trust Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rolling Meadows, Illinois' basic financial statements. The introductory section, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Matters – Continued

Other Information – Continued

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

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF ROLLING MEADOWS, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019**

The City of Rolling Meadows' Management's Discussion and Analysis is designed to provide readers a narrative overview and analysis of the City's financial statements for the year ending December 31, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal (beginning on page 3) and the City's financial statements (beginning on page 47).

Financial Highlights

The following are a few highlights to be discussed in greater detail in this Management's Discussion and Analysis and within the 2019 Comprehensive Annual Financial Report (CAFR):

Net Position and Performance in Total: The City's total net position as of December 31, 2019 was \$92,065,361 an increase of \$901,429 or by 1.0% from FY 2018. The City's total net position is comprised of \$146.5 million for net investment in capital assets; \$1.6 million for Public Safety; \$367,755 for Highways and Streets; \$17,515 for Debt Service; and a negative \$56.4 million for Unrestricted Deficit. The overall change of the Unrestricted Deficit for the net position was a negative \$100,000 (from a negative \$57.5 million for FY 2018). The decrease is primarily due to a decrease in the net pension liability for the City's pension funds [Illinois Municipal Retirement Fund (IMRF), Police Pension Fund and Fire Pension Fund.] The total OPEB liability is reflected in the financials with an increase of \$1.2 million. For Compensated Absences, the short-term liability is \$1.0 million and the long-term liability is \$2.8 million for a decrease of approximately \$120,000 from FY 2018. In addition, there are deferred items recognized and the City issued general obligation bonds in March of 2019.

As noted in previous reports, the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financing Reporting for Pensions, will have an ongoing effect on the full reporting of the City's long-term obligations. This GASB Statement revised existing guidance for the financial reports of most pension plans. GASB's intent is to improve the accounting and financial reporting of public employee pensions by state and local governments.

In FY 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Similar to GASB Statement No. 68 which requires the full accrual accounting for the City of Rolling Meadows' retirement plans (IMRF, Fire Pension Fund and the Police Pension Fund), GASB No. 75, accounts for the total OPEB liability for the City's postemployment benefits (i.e., retiree healthcare).

For the City's pension funds for FY 2019, the net pension liabilities for these retirement plans are as follows: the Illinois Municipal Retirement Fund (IMRF) is \$5.3 million; Firefighters' Pension Fund is \$39.4 million; and the Police Pension Fund is \$33.5. The total OPEB liability is \$6.7 million.

Governmental Activity Summary: The net position for governmental activities ended at \$70,915,023, a decrease of \$1.0 million from FY 2018. The City's fire stations project accounted for the majority of capital outlay of \$11.5 million for the year. The net effect of deferred inflows of \$9.1 million related to pensions not reported in funds caused the net position to change. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds. Compensated absences decreased by \$145,536 and there was an overall deduction to the net pension liabilities of \$10.3 million (IMRF, Police and Fire Pensions). There was an addition of \$1.1 million for OPEB. The City retired \$915,000 debt and issued \$4.3 million (fire stations project) in the governmental funds. There were changes in issuance of premium for the general obligations bonds, amortization of bond premium, amortization of loss of refunding and a change in accrued interest payable.

Business-Type Activity Summary:

The net position for business-type activities ended at \$21.2 million, an increase of \$1.9 million from FY 2018. The primary reason for this increase is that there are capital projects that are still in process and the Utilities Fund included rate increases for FY 2019.

General Fund Summary: At December 31, 2019, the total fund balance for the General Fund was \$10,790,450 million or 33.0% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$9,363,567 (or 28.6% of the General Fund's FY 2019 operating expenditures) is unassigned fund balance (available fund balance for about three months of activities in the General Fund) and is available to meet the City's ongoing obligations to its residents, businesses and creditors.

In FY 2019, the City Council committed \$1.4 million in the General Fund to be used for funding compensated absences.

For FY 2019, the City's total cash position decreased from \$33.9 million to \$30.5 million or by \$3.5 million (primarily due to the use of bond proceeds funds for the fire stations project and the underground utilities projects). For governmental activities the cash position decreased from \$28.5 million to \$21.0 million (due to the use of bond proceeds for the fire stations project). For business activities the cash position increased from \$5.5 million to \$9.6 million (due to the issuance of bonds for business type activities).

The cash position of the General Fund at the end of the current fiscal year was \$8.2 million – an increase of approximately \$2.0 million from FY 2018. The General Fund's cash increase was primarily due better than expected revenues and lower than budgeted expenditures for Fiscal Year 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Rolling Meadows' basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The government-wide statements are divided between governmental activities and business-type activities, with the public library reported as a discretely presented component unit. The perspective of the fund financial statements presents financial information for individual funds established by the City for specific purposes. They are categorized into three distinct groups: governmental, proprietary and fiduciary. This report also contains other supplementary information in addition to the basic financial statements themselves.

The following table (Table 1) summarizes the major features of the City’s financial statements.

This is a useful tool and should be read in conjunction with this analysis and the CAFR.

TABLE (1)

<u>Description</u>	<u>Government-Wide</u>	<u>Fund Financial Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire City government (except Fiduciary Funds) and the City's component unit.	Activities of the City that are not proprietary or fiduciary such as public safety.	Activities of the City that operate similar to private business such as the Utilities Fund and the Refuse Fund.	Activities in which the City is trustee or agents of another's resources such as pension plans.
Required financial Statements	1. Statement of net position 2. Statement of activities	1. Balance sheet 2. Statement of revenues, expenditures and changes in fund balance	1. Statement of net position 2. Statement of revenues, expenses, and changes in net position 3. Statement of cash flows	1. Statement of fiduciary net position 2. Statement of changes in fiduciary net position
Accounting Basis	Accrual	Modified accrual	Accrual	Accrual
Measurement Focus	Economic resource	Current financial	Economic resource	Economic resource
Type of asset/deferred outflows & liability/deferred inflows information	All assets/deferred outflows and liabilities/deferred inflows; both financial and capital short and long-term.	Assets/deferred inflows expected to be used and liabilities/deferred outflows that come due during the year or shortly thereafter; no capital assets.	All assets/deferred inflows and liabilities/deferred inflows; both financial and capital short and long-term.	All assets/deferred outflows and liabilities/deferred inflows, short and long-term. Does not contain capital assets.
Type or inflow & outflow information	All revenues and expenses during the year regardless of when the cash is received or paid.	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter.	All revenues and expenses during the year regardless of when the cash is received or paid.	All revenues and expenses during the year regardless of when the cash is received or paid.

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 on all of the City's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 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. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may relate to cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government (legislative, administrative, information technology, finance), public safety (fire, police, 911 services), public works, highways and streets, health and welfare, and economic development (community development). The business-type activities of the City include utilities (water, sewer, stormwater management) and refuse.

The government-wide financial statements include the City of Rolling Meadows, and its discretely presented component unit, the Rolling Meadows Public Library, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements may be found on pages 47 through 50 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Rolling Meadows, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Rolling Meadows can be divided into three categories: governmental, proprietary and fiduciary.

Governmental Funds

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

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

At year-end, the City of Rolling Meadows maintains ten individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Motor Fuel Tax Fund, the Debt Service Fund, the Local Road Fund, and the Fire Stations Fund, all major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and may be found elsewhere in this report.

The City of Rolling Meadows adopts an annual budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements may be found on pages 51 through 57 of this report.

Proprietary Funds

The City of Rolling Meadows maintains two different types of proprietary funds: enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains two enterprise funds to account for its Utilities and Refuse Collection Funds.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains five internal service funds: the Municipal Garage and Vehicle Replacement Funds account for its fleet of vehicles; the Building and Land Fund accounts for building maintenance and improvements; the Health Insurance Fund accounts for health insurance premiums (including retirees); and the Liability Insurance Fund accounts for general liability insurance as well as workers' compensation. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utilities and Refuse Collection Funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements may be found on pages 59 through 62 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City. The three fiduciary funds include both pension funds for sworn police officers and firefighters, as well as surety bonds for building contractors. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements may be found on pages 63 and 64 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 65 through 124 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City’s progress in funding its obligation to provide pension benefits to its employees and the budgetary comparison schedules for the General Fund and the Motor Fuel Tax Fund. Required supplementary information may be found on pages 126 through 139 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules may be found on pages 143 through 185 of this report.

Infrastructure Assets

The City depreciates its assets (infrastructure – buildings, roads, sidewalks bridges, watermains, storm sewers, certain vehicles and equipment per the City’s capital asset policy) over the assets’ useful life.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

In FY 2014 the City’s total net position was \$138.7 million and in FY 2019 the City’s total net position was \$91.2 million. The change in net position for the current year is primarily due the City’s net pension liability and OPEB total liability which are reflected on the Financials, the issuance of general obligation bonds in FY 2018 and FY 2019, capital improvements and the maturity (payment) of general obligation bonds. When comparing the last two fiscal years, the overall change is an increase of 1.0% in the City’s total net position or an increase of \$901,429. The following table and graph displays the City’s net position for the past six years.

Table 2 - City of Rolling Meadows Net Position (in thousands)

Net Position	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY2019
Governmental Activities (in thousands)	\$123,765	\$59,737	\$55,919	\$70,420	\$71,871	\$70,915
Business-Type Activities (in thousands)	\$14,936	\$15,191	\$15,117	\$16,886	\$19,292	\$21,150
Total City Net Position	\$138,701	\$74,968	\$71,036	\$87,306	\$91,163	\$92,065
\$ Change from Previous Year	\$6,428	(\$63,733)	(\$3,932)	\$16,270	\$3,857	\$901
% Change from Previous Year	4.9 %	(45.9)%	(5.2)%	22.9 %	4.4 %	1.0%

The next table, Table 3, reflects the condensed Statement of Net Position compared between FY 2018 and FY 2019.

**TABLE 3. City of Rolling Meadows
Statement of Net Position
As of December 31, 2018 and December 31, 2019
(in millions)**

	Governmental		Business-Type		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Current and Other Assets	\$51.4	\$45.4	\$7.4	\$12.2	\$58.8	\$57.6
Capital Assets	136.0	146.2	17.6	19.2	153.6	165.4
Total Assets	187.4	191.6	25.0	31.4	212.4	223.0
Deferred Outflows of Resources	19.9	14.4	1.2	0.3	21.1	14.7
Total Assets & Deferred Outflows of Resources	207.3	206.0	26.2	31.7	233.5	237.7
Current Liabilities	4.5	5.9	1.7	1.8	6.2	7.7
Noncurrent Liabilities	107.8	101.8	5.1	8.0	112.9	109.8
Total Liabilities	112.3	107.7	6.7	9.8	119.0	117.5
Deferred Inflows of Resources	23.1	27.4	0.1	0.6	23.2	28.0
Total Liabilities & Deferred Inflows of Resources	135.4	134.0	6.9	12.5	142.3	146.5
Net Position:						
Net Investment In:						
Capital Assets	\$132.3	\$134.0	\$14.5	\$12.5	\$146.8	\$146.5
Restricted	1.7	2.0	0.0	0.0	1.7	2.0
Unrestricted (Deficit)	(62.2)	(65.1)	4.7	8.7	(57.5)	(56.4)
Total Net Position	\$71.9	\$70.9	\$19.3	\$21.2	\$91.2	\$92.1

* Note: Rounding difference will occur between CAFR, this Table and other Tables.

Current Year Financial Impacts

The City's total net position across governmental and business-type activities is \$92.1 million (which is considered the City's bottom line). The City's net position increased by \$901,429 from FY 2018. This was a result of governmental activities decreasing by \$1.0 million and business-type activities increasing by approximately \$1.9 million.

The City's net position is classified into three categories according to the order of their relative liquidity. These include assets invested in capital, restricted net position, and unrestricted net position. By far the largest portion of the total City of Rolling Meadows' net position shown in the summary Table 3, \$146.5 million reflects its net investment in capital assets (e.g., land, buildings, infrastructure, streets, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

A portion of the City of Rolling Meadows' net position (approximately \$2.0 million) represents resources that are subject to external restrictions as to how they may be used. These restrictions include \$1.6 million for public safety which represents the combined ending fund balances for the 911 Fund, the Foreign Fire Insurance Fund and the Police Asset Seizure Fund. The remainder of the restricted net position is for Highways and Streets which equals \$367,755 for the fund balance in the Motor Fuel Tax Fund; and for debt service which equals \$17,515 for FY 2019.

Unrestricted net position consists of net position that does not meet the definition of net position invested in capital assets or restricted net position. At the end of the current fiscal year, the City of Rolling Meadows reports a negative unrestricted net position for the government as a whole, in the amount negative \$56.4 million which is a decrease of \$100,000. For governmental activities, the increase is attributed to changes in long-term liabilities and capital assets. For business-type activities, the primary reason for this increase is the issuance of general obligation bonds. The increase in the business-type activities offset the negative amounts from the governmental activities. Additional information on the Statement of Net Position may be found on page 47 and 48 of this CAFR.

Change in Net Position in the Statement of Activities

The fiscal year 2019 activities of the City of Rolling Meadows caused total net position to decrease by \$1.0 million for governmental activities and to increase by approximately \$1.9 million for business-type activities. Due to the fact that the City, as a whole, has a diversified base of assets, the City of Rolling Meadows' total net position at the end of the end of fiscal year 2019 is \$92.1 million. Key elements are as follows in Table 4. The basic premise of this financial statement is to reflect the relative type of revenue in that the format identifies how each function of the government on the whole draws from general revenues, utility fees, grants, or other fees.

TABLE 4. City of Rolling Meadows
Changes in Net Position
For the Fiscal Years Ended December 31, 2018 and 2019
(in millions)

	Governmental		Business-Type Activities		Total Primary Government	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Revenues						
Program Revenues:						
Charges for Services	6.2	5.8	14.0	13.8	20.2	19.6
Operating & Capital Grants	1.2	1.3	—	—	1.2	1.3
General Revenues:						
Property Taxes	17.3	18.5	—	—	17.3	18.5
Other Taxes	15.0	11.4	—	—	15.0	11.4
Other Revenues	0.6	4.9	—	0.2	0.6	5.1
Total Revenues	40.3	41.9	14.0	14.0	54.3	55.9
Expenses						
Governmental Activities:						
General Government	1.5	2.1	—	—	1.5	2.1
Public Safety	30.1	25.5	—	—	30.1	25.5
Highway & Streets	1.1	1.8	—	—	1.1	1.8
Public Works	5.7	5.9	—	—	5.7	5.9
Health & Welfare	—	—	—	—	0.0	0.0
Economic Development	0.4	6.8	—	—	0.4	6.8
Interest	0.2	0.7	—	—	0.2	0.7
Business Type Activities:						
Refuse	—	—	2.2	9.8	2.2	9.8
Utilities	—	—	9.4	2.3	9.4	2.3
Total Expenses	39.0	42.8	11.6	12.1	50.6	54.9
Change in Net Position	1.3	(0.9)	2.4	1.9	3.7	1.0
Net Position Ending	71.9	70.9	19.3	21.2	91.2	92.1

* Note: Rounding difference will occur in this Table.

For FY 2019 program revenues (all governmental revenues combined) compared to FY 2018 – Charges for Services increased by approximately \$400,000.

Operating grants/contributions for public safety consisted of a total of approximately \$45,476 for FY 2019 which are police-reimbursable expenses. For capital grants/contributions, this consists of a total of \$1.2 million. This amount is comprised of amounts for local roadway improvement grants and for the state motor fuel tax annual allotment.

Governmental activities or expenses increased by approximately \$700,000 from FY 2018 to FY 2019. For General Government, the overall change from FY 2018 to FY 2019 is due to planned expenses per the budget in the General Fund.

For Public Safety, expenses decreased by approximately \$5.0 million from FY 2018 to FY 2019 (the largest share for the overall increase in expenses for Governmental activities). The primary reason for this change is the overall decrease of the pension liabilities due to positive investment returns.

For Highways and Streets, expenses increased by approximately \$700,000 due to planned expenses per the budget and changes in depreciation of capital assets.

For Public Works, expenses increased approximately by \$200,000 due to planned expenses per the budget and changes in depreciation of capital assets.

For Health & Welfare the expenses increased by approximately \$8,000 due to additional Fire and Police Commission required activities for hiring processes.

For Economic Development the increase was more than \$6.4 million which is almost entirely attributed to the required payment of tax increment funds per the redevelopment agreement for the A.J. Gallagher Insurance project in the TIF #4 Golf Road Fund.

Interest on Long Term Debt increased from \$230,817 in FY 2018 to \$666,724 in FY 2019 for planned expenses for repayment of debt.

For FY 2019 business-type activities in terms of charges for services, the FY 2019 Budget increased rates for Water (7.0%), Sewer (5%) and Stormwater (5%) with some additional received for other line items. However, due to slightly lower water usage in FY 2019, the overall revenues to the Utilities Fund decreased by approximately \$190,000 for FY 2019. For the Refuse Fund, charges for services decreased by approximately \$5,000 (less than 1%). In FY 2019, there was no rate increase for the Refuse Fund.

For FY 2019 business-type activities in terms of expenses, the Utilities Fund's expenses decreased year-over-year by \$415,601 from FY 2018 due to savings in the Fund from various projects, cost savings on health care, and some capital improvements in process. For the Refuse Fund, expenses decreased year-over-year by approximately \$80,000, or 3.5%, due to savings in operational efficiencies.

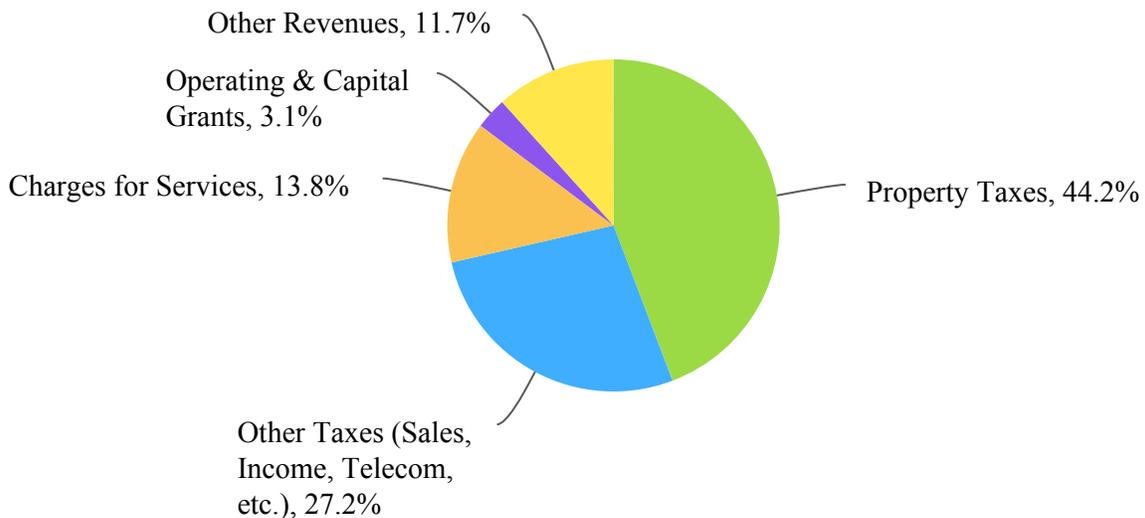
Governmental Activities

Revenues:

Total revenues for the City's Governmental Activities for FY 2019 were \$41.9 million which shows an increase of \$1.6 million from FY 2018. Charges for Services were \$5.8 million, Operating and Capital Grants were \$1.3 million; Property Taxes (includes the TIF revenues – with increases in EAV) were \$18.5 million, Other Taxes were \$1.4 million and Other Revenues were approximately \$4.9 million (bond proceeds).

The following chart reflects the percentage breakdown for each of the categories of governmental activities revenue. Taxes such as sales tax (state and home rule), telecommunications taxes, electric utility tax, hotel tax, food & beverage tax, real estate tax, income tax and other taxes account for the share at approximately 27.2% of total governmental activity revenue or at approximately \$11.4 million. Property Taxes are the largest share at 44.2% or \$18.5 million (this includes the TIF revenue), Charges for Services at 13.8% or \$5.8 million, Operating and Capital Grants at 3.1% or \$1.3 million and Other Revenues at 11.7% or approximately \$4.9 million. The City has a balanced and diversified revenue stream to help with the City's overall fiscal strength and sustainability.

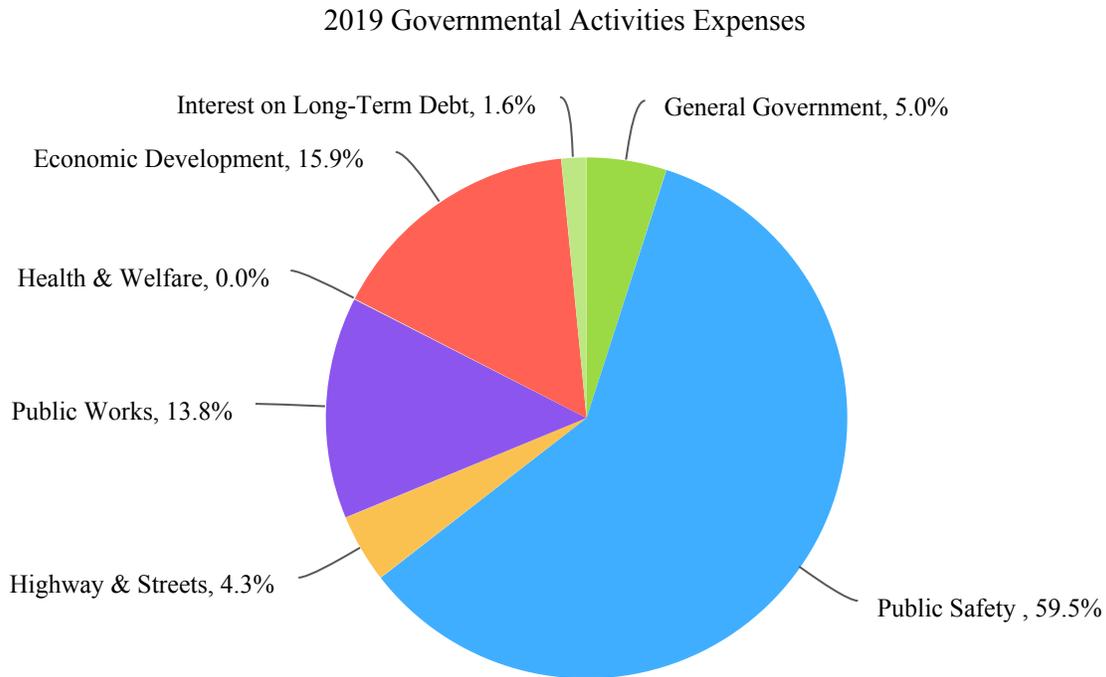
2019 Governmental Activities Revenues



Expenses:

Total expenses for the City’s governmental activities for FY 2019 were approximately \$42.9 million – an approximate increase of \$3.8 million from FY 2018. There were also some additional non-capital projects for local roads and some savings in contractual, supply and health care line items in general government, public safety increases due to employee contracts and pension benefits, and retirement of long-term debt. (The largest share of this expense is Public Safety due to the Police and Fire Pension Funds.)

The following chart reflects the percentage breakdown for each of the categories of governmental activities expenses.



As expected, typical to a municipality such as the size of the City of Rolling Meadows, public safety – police and fire operations – comprise a large share of the governmental activities. For the City of Rolling Meadows, public safety expenses are 59.45% or \$25.5 million. Public safety includes police and fire public safety operations in the General Fund, 911 Fund expenditures, Foreign Fire Insurance expenditures and Asset Seizure expenditures (non-capital).

It is important to highlight that the fire and police pension expenses are budgeted and expended from the public safety budget. The employer contribution for Police and Fire Pensions comprised approximately \$8.1 million or 24% of the General Fund’s total expenses. The employer contribution (levied on the City’s property tax levy) for the Police Pension Fund was \$3.4 million and for the Fire Pension Fund was \$3.7 million.

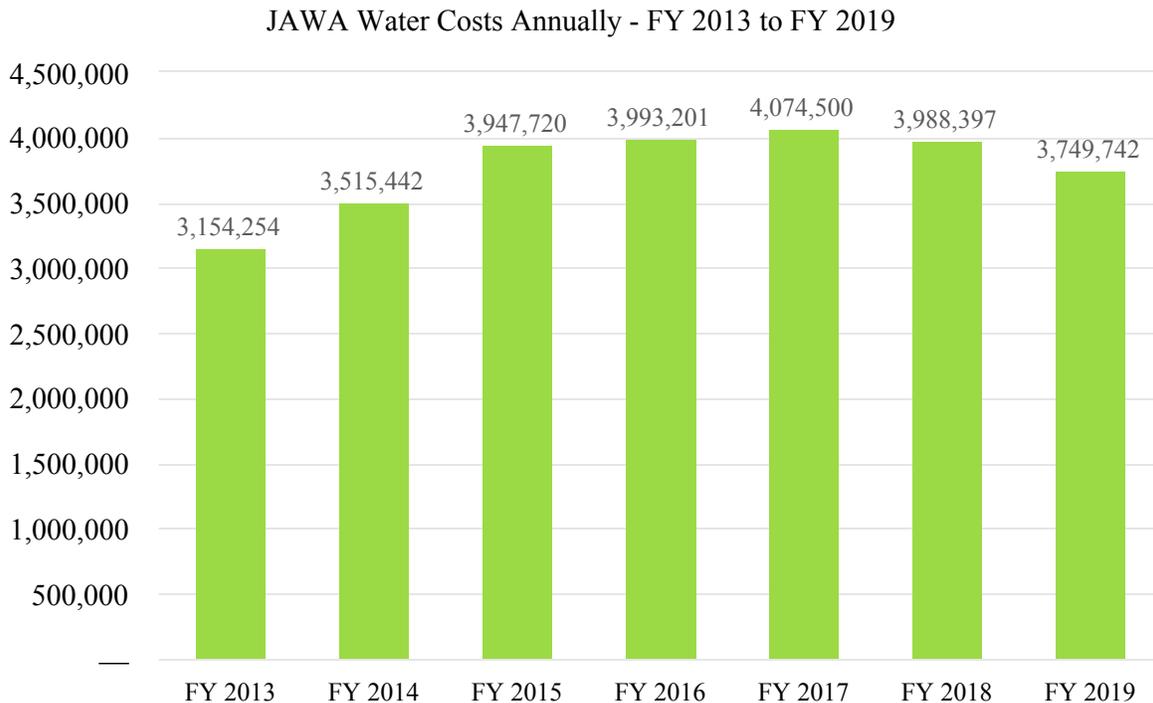
For the other categories in governmental expenses, General Government’s expenses make up 5.0%, Highways and Streets (State Motor Fuel Tax Fund and Local Road Fund – contractual/supply items) is approximately 4.3%, Public Works (across various funds) is 13.8%, Economic Development is at 15.9% (includes bonds) and Health/Welfare is less than 1%, and interest on long-term debt is 1.6%.

Business-Type Activities

Total revenues or charges for services for the City’s business-type activities for FY 2019 were \$13.8 million, of which is comprised of \$11.6 million for the Utilities Fund and \$2.2 million for the Refuse Collection Fund. The major revenue components of the charges for services classification for business-type activities are fees from the City’s Utilities Fund (water, sewer, refuse and stormwater) and Refuse Fund. These fees are the primary source of revenue deemed sufficient to support ongoing operations, maintenance and capital infrastructure improvements.

Total expenses for the City’s business-type activities for FY 2019 were \$12.1 million (an increase of 4.3% or \$494,623) from FY 2018 (primarily due to planned capital expenditures).

Of the total operating expenses for business-type activities for Utilities, approximately 20% is related to water, 15% to sewer and 5% to stormwater. For FY 2019, the City paid \$3,749,742 to the Northwest Suburban Municipal Joint Action Water Agency (JAWA) for the City’s water supply (6% decrease from year-over-year). It is also important to note on the statement of net position, the City holds an Investment in Joint Venture with JAWA. The City’s share of the net position of JAWA at December 31, 2019 was \$730,799.



Refuse expenses are accounted for separately in the Refuse Collection Fund. For FY 2019, the monthly refuse rate was not increased from FY 2018. In FY 2015, the City Council adopted a fund balance policy for the Refuse Fund which the City shall strive to hold an amount known as current net position ranging from 30% to 50% of the Refuse Fund’s operating expenditures. For FY 2019, the net position is in range of the Refuse Fund’s fund balance policy.

Financial Analysis of the Government’s Funds

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

Governmental Funds - The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing resources available at the end of the year in comparison with the City's upcoming financing requirements. As of December 31, 2019, the governmental funds reported a combined fund balance of \$14.0 million, a decrease of \$10.0 million from FY 2018 due to the City issuing general obligation bonds in FY 2018 and utilizing the bond proceeds in FY 2019. The City also issued general obligation bonds in FY 2019 and used the bond proceeds in FY 2019.

The General Fund ended with a \$10.8 million total fund balance for FY 2019. The General Fund is above the fund balance range of 15% to 30% for total fund balance. For FY 2018, the City's Unassigned General Fund Balance is \$9.4 million which is 28.6% of expenses to fund balance.

There were some other changes to note – the Motor Fuel Tax Fund's fund balance increased from \$161,274 in FY 2018 to \$367,755 for FY 2019 (additional State Motor Fuel taxes received from the State of Illinois). The 911 Fund increased its fund balance from \$1,297,854 in FY 2018 to \$1,349,130 due to the fact that the fund is accumulating revenues to pay for an emergency operations radio and equipment upgrade soon. The 911 Fund has a fund balance policy which strives to hold one to one and half times the expenditures in the Fund as reserves. The fund balance is in range for this policy.

The Local Road Fund's balance decreased from \$552,292 in FY 2018 to \$355,783 with a planned use of fund balance to pay for the City's roadways.

The Debt Service Fund decreased its fund balance from \$42,994 in FY 2018 to \$17,515 as the fund pays for debt service and its associated administration. The TIF #2 (Kirchoff & Owl) increased its position from a negative \$1,349,678 in FY 2018 to a negative \$1,157,011 in FY 2019 (this TIF is estimated to become positive at the end of its term).

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects and facilities. The Fire Stations Project Fund was created to account for the expenses related to building two, new fire stations. The ending fund balance was a positive \$1.9 million due to general obligation bonds issued in December 2018 and in March 2019. The City expects to spend down the remaining bond proceeds in FY 2019 to complete the project under budget.

The TIF #4 (Golf Road) fund balance was increased by the overall increase in equalized assessed value anticipated by the redevelopment of the TIF district by A.J. Gallagher Insurance. The City remitted the tax increment funds in FY 2019 per the Redevelopment Agreement to A.J. Gallagher Insurance of approximately \$6.0 million. The FY 2019 fund balance is \$3,189. FY 2019 is the 4th year of its shortened term of fifteen years.

The two remaining governmental funds are restricted for use. These Funds are not governed by the City of Rolling Meadows; however, separate governing authorities may authorize the use of the funds to offset certain City expenditures. In FY 2019, the Foreign Fire Tax Fund paid for \$37,000 and the Police Asset Seizure Fund paid for \$86,579 in expenditures.

General Fund Budgetary Highlights

The General Fund represents approximately 60% of the City’s operating activities and accounts for the majority of all of the City’s primary activities. The City’s General Fund has stabilized over the last several years with reduction in expenses and better than anticipated revenues in some areas (many of these revenues are one-time increases).

The City is actively engaged in developing new strategies for economic growth and development. Economic Development continues to be a priority for the City of Rolling Meadows. Rolling Meadows is known as a business-friendly community and has a reputation as a “Great Place to Do Business”. The City encourages businesses to begin, grow and expand their businesses. The City’s General Fund has a diverse and stable mix of revenues.

The City’s General Fund’s revenues came in 1.0% better than budget and expenditures came in 0.7% under budget. The chart shows the detail for the FY 2019 Original/Final Budget and the FY 2019 Actual results. The chart also shows the percentage of the Actual results to the Original/Final Budget.

General Fund Budgetary Highlights Detail - FY 2019				
	Original Budget	Final Budget	Actual	% of Actual to Final Budget
Revenues				
Taxes	\$24,017,002	\$24,017,002	\$23,496,094	97.8 %
Intergovernmental	3,297,250	3,297,250	3,740,024	113.4 %
Licenses and Permits	1,091,220	1,091,220	1,280,705	117.4 %
Charges for Services	3,301,035	3,301,035	3,329,586	100.9 %
Fines and Forfeitures	1,287,000	1,287,000	1,114,728	86.6 %
Interest	70,000	70,000	408,821	584.0 %
Miscellaneous	425,343	425,343	452,528	106.4 %
Total Revenues	\$33,488,850	\$33,488,850	\$33,822,486	101.0 %
Expenditures				
General Government	3,164,914	3,164,914	2,976,876	94.1 %
Public Safety	24,862,290	25,862,290	25,619,719	99.1 %
Public Works	3,852,017	3,852,017	4,086,068	106.1 %
Health/Welfare and Culture	10,120	10,120	13,526	133.7 %
Economic Development	63,500	63,500	40,299	63.5 %
Total Expenditures	\$31,952,841	\$32,952,841	\$32,736,488	99.3 %
Excess of Revenues Over (Under) Expenditures	1,536,009	536,009	1,085,998	202.6 %
Other Financing Sources (Uses)				
Transfers In	200,000	200,000	200,000	100.0 %
Transfers Out	(788,075)	(888,075)	(1,609,934)	181.3 %
	(588,075)	(688,075)	(1,409,934)	204.9 %
Net Change in Fund Balance	\$947,934	(\$152,066)	(\$323,936)	
Fund Balance - Beginning			\$11,114,386	
Fund Balance - Ending			\$10,790,450	

The City had four budget amendments for the FY 2019. The first one amended the budget repaid a FY 2018 transfer from the 2018 bond proceeds of \$2,120,000 back to the General Fund (and the General Fund transferred these funds equally between the Local Road Fund of \$1,060,000 and \$1,060,000 to the Building & Land Fund.) The second budget amendment accepted the 2018 bond schedule and the third one accepted the 2019 bond schedule. The fourth budget amendment reallocated General Fund reserves with \$500,000 to the Police Pension Fund, \$500,000 to the Fire Pension Fund and \$100,000 to IMRF.

In FY 2019, the City budgeted \$33.5 million for revenues and actual revenues received were \$33.8 million or \$333,636 more than the final budget. Actual FY 2019 revenues came in higher at 1.0% than the FY 2019 Budget. This is primarily due better than anticipated Food & Beverage Taxes, Ambulance Fees, Building Permits and Real Estate Transfers. In addition, Cook County's reassessments have resulted in approximately more than \$34,027 in refunds of property taxes (this is a reduction to property tax revenue – less than FY 2018). The City budgeted \$32.9 million and actual expenditures came in lower at \$32.7 million or \$216,353 under budget. Expenditures came in at 0.7% lower than the FY 2019 Budget (due to some savings in contractual and supplies).

The other financing uses included a budgeted transfers of \$688,075 from the General Fund to the Debt Service Fund (this general obligation bond matures in FY 2023); \$821,858 from the General Fund to the Fire Stations Fund; \$150,000 transfer into the General Fund for Health Care administration; \$50,000 transfer from the Liability Insurance Fund to the General Fund for administration; \$100,000 transfer from the General Fund to the Vehicle & Equipment Replacement Fund for the purpose of repaying a prior interfund loan.

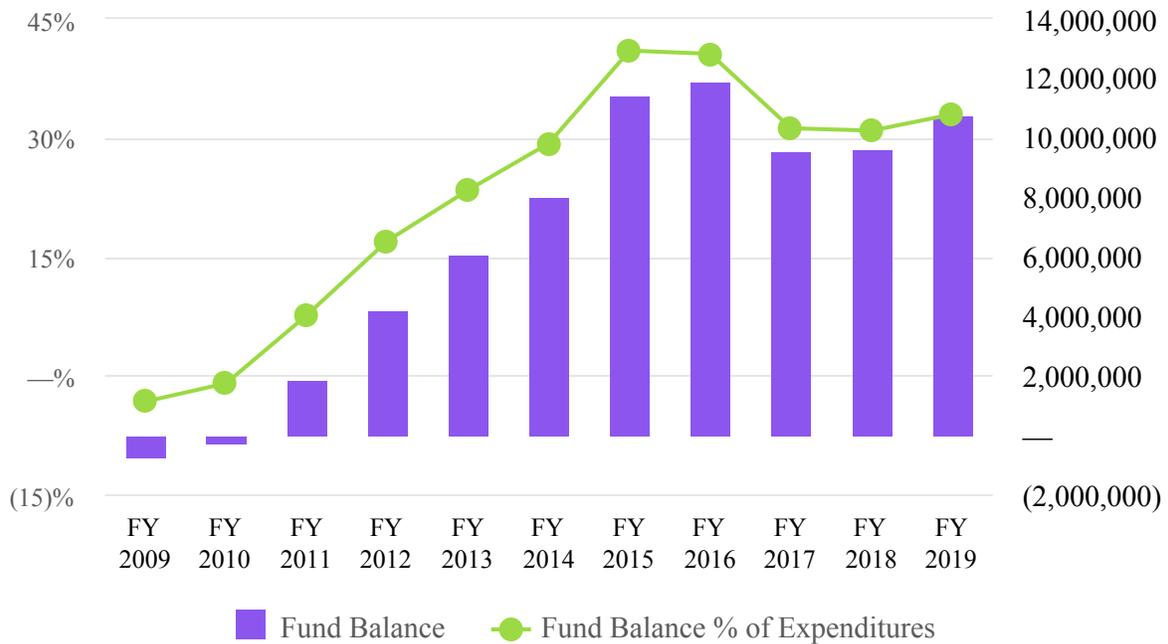
Over the last several years, the City of Rolling Meadows has taken proactive steps to rebuild fund balance reserves, and eliminate negative funds. The City has established fund balance policies for the General Fund, the Refuse Fund and the 911 Fund. Each of these funds are in parameters with their fund balance policies. The City shows one fund that has negative fund balance position which is the TIF #2 (Kirchoff/Owl). The TIF #2 (Kirchoff/Owl) Fund will become positive near the end of the TIF's term (approximately FY 2023) and is negative due to the fact that a fourth parcel was not built on the development due to the downturn in the economy. (The City still owns the property with the fourth parcel.)

As of December 31, 2019, the total fund balance for the General Fund was \$10,790,450 or 33.0% of General Fund operating expenditures excluding transfers in or out of the General Fund. Of the total fund balance, \$9.4 million (or 28.6% of 2019 operating expenditures) is unassigned fund balance (available fund balance for about three months of activities in the General Fund) and is available to meet the City's ongoing obligations to its residents, businesses and creditors.

The City's commitments on total fund balance of \$10.8 million include the committed amount of \$1.4 million in the General Fund to be used for funding compensated absences and \$26,883 as nonspendable for prepaid expenses.

The next chart reflects the historical look over the last ten years and the overall gains for the General Fund.

General Fund - Fund Balance History - FY 2009 to FY 2019



General Fund – Revenues

General Fund revenues ended for the fiscal year with approximately \$333,636 more than the FY 2019 budget. Shown in the next chart that follows the next few paragraphs, there are seventeen revenue line items that make up the majority of General Fund revenues (or 86% of total General Fund Revenues). The FY 2019 actual to the FY 2019 Budget shows close to a \$39,908 increase from actual to budget for those major revenue items.

Not one single line item contributes to the entire change in revenues. It is important to note that certain revenue line items in certain fiscal years will receive “unanticipated, one-time” revenues for various projects or fees. There are some revenues that exceeded the budget which include Food & Beverage Taxes (more restaurants opening), Real Estate Transfer Taxes, Cable Franchise Fees, Local Use Tax, and Red Light Enforcement Fines.

In April 2018, the City Council approved Ordinance #18-16 allowing local businesses to offer video gaming while ensuring proper oversight. The newly-approved video gaming ordinance, in accordance with Illinois law, allows businesses to place up to five video game machines – games such as poker and blackjack – on their premises. The State of Illinois collects 30% of the revenue generated from the video gaming machines (allocating 5% to the City of Rolling Meadows), while businesses split the remaining with the machine operator. The business must apply for a City G-1 Liquor License and pay annual licensing fees for each machine. City Council’s approval of this Ordinance, places the City on a more competitive footing with nearby communities and provides opportunities for businesses to grow and develop. The amount received was \$70,926 in video gaming revenues and \$57,090 in licensing fees (for a total of \$128,016 related to video gaming in FY 2019).

For the current property tax levy the City received approximately 100% of the amount of the property tax levy. However, Cook County has allowed more appeals which generated a loss of revenue of \$34,02). By far the most significant decreases in order of dollar amounts are attributed to: Telecommunications Tax (State of Illinois’ administrative fee and less land lines); Municipal Sales Tax and Home Rule Sales Tax (State of Illinois Administrative Fee).

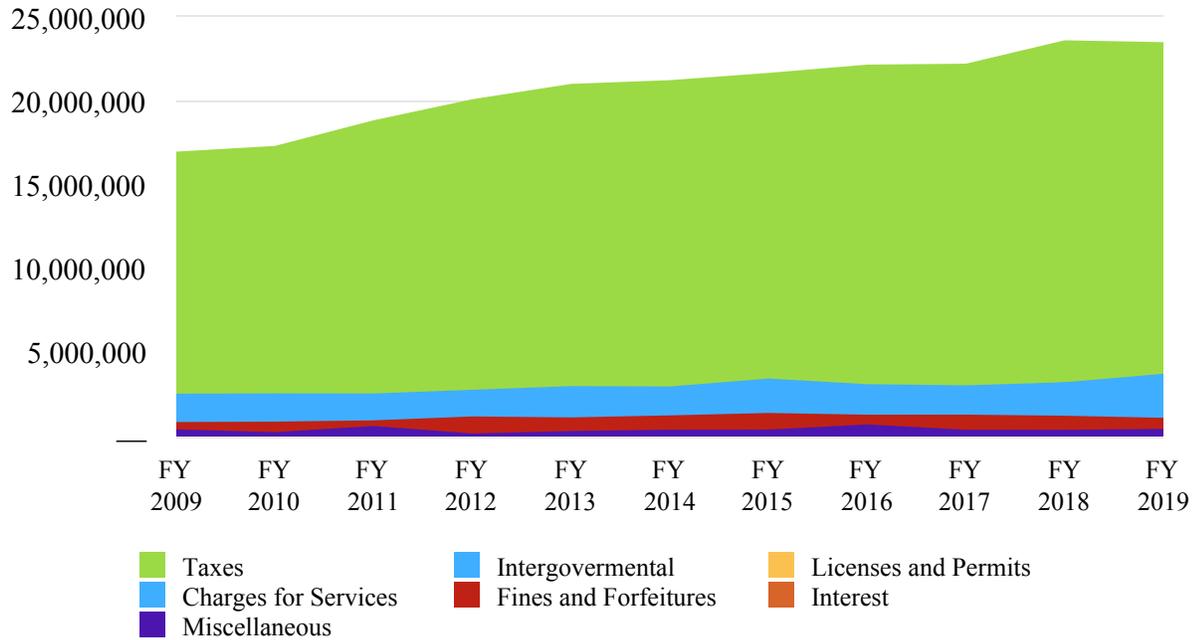
The following chart summarizes approximately 86% of the General Fund’s key revenue line items.

Major Revenue Sources - Budget to Actual (Approximately 86% of General Fund Revenues)

	FY 2019 Budget	FY 2019 Actual	\$ Change	% Change
Property Taxes - Prior Years' Taxes	\$—	(\$34,027)	(\$34,027)	— %
Property Taxes - Current Levy	5,587,002	5,641,683	54,681	1.0 %
Property Taxes - Police Pension	3,400,000	3,410,789	10,789	0.3 %
Property Taxes - Fire Pension	3,700,000	3,710,983	10,983	0.3 %
Municipal Sales Tax	3,600,000	3,508,828	(91,172)	(2.5)%
Home Rule Sales Tax	2,600,000	2,584,137	(15,863)	(0.6)%
Telecommunications Tax	1,300,000	1,090,862	(209,138)	(16.1)%
Electric Utility Tax	1,300,000	1,173,873	(126,127)	(9.7)%
Hotel Tax	300,000	327,709	27,709	9.2 %
Food and Beverage Tax	1,400,000	1,447,335	47,335	3.4 %
Real Estate Transfer Tax	500,000	327,913	(172,087)	(34.4)%
Cable Franchise Fees	330,000	306,009	(23,991)	(7.3)%
State Income Tax	2,300,000	2,585,667	285,667	12.4 %
Local Use Tax	610,000	813,140	203,140	33.3 %
Replacement Tax	204,000	224,814	20,814	10.2 %
Building Permits	550,000	704,167	154,167	28.0 %
Red Light Enforcement Fines	975,000	872,028	(102,972)	(10.6)%
	28,656,002	28,695,910	39,908	—

The next chart shows trend data for General Fund revenues from FY 2009 to FY 2019. Overall the City’s General Fund revenues are diversified. To gain a sense of how current year impacts affected General Fund revenues, major revenue line items are explained in further depth following this chart.

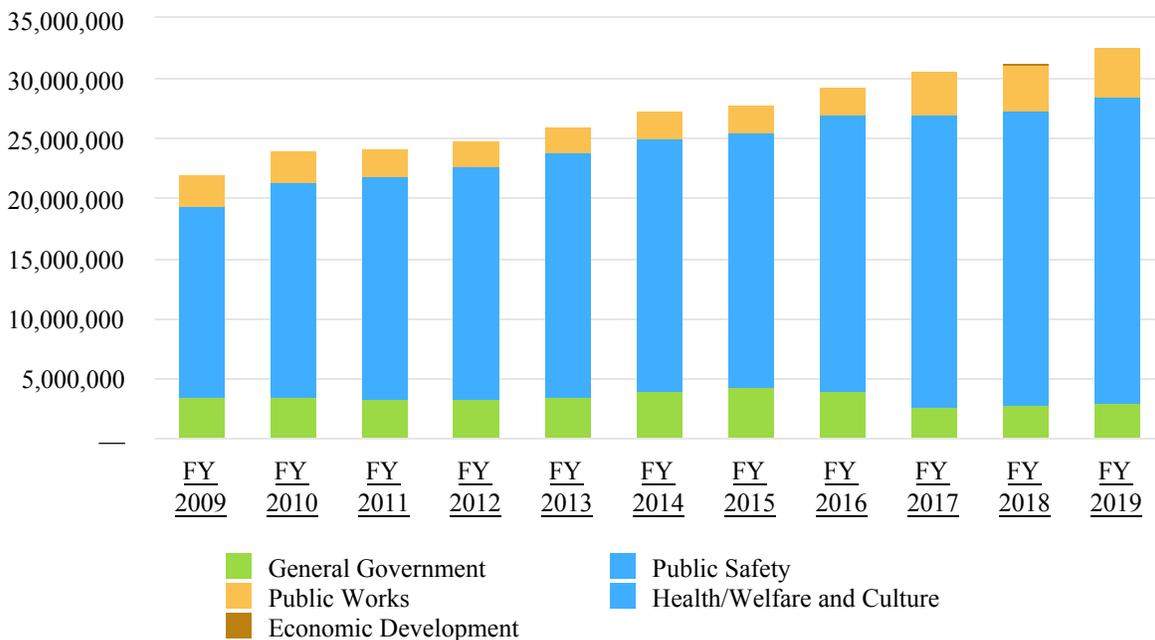
General Fund Revenues - FY 2009 to FY 2019



Property Taxes comprise approximately 25% of the General Fund’s revenues and is a stable and reliable source of revenue due the City’s economic strength of its overall tax base.

The City of Rolling Meadows has a diversified mix of General Fund revenues and is resilient in its composition of revenues. Remaining line items aside what were mentioned came in for the most part near, at or above budget.

General Fund Expenditures - FY 2009 to FY 2019



The General Fund expenditures chart shows expenditures from FY 2009 to FY 2019 with the most significant increase in the City’s pension obligations for Police, Fire and Non-Union (IMRF) Pension Funds. For FY 2019, year-end results show that the General Fund’s total expenditures came in at \$32.7 million which is \$216,353, or 0.7% under budget. The City’s past experience shows that expenditures typically fall below the budgeted amount each year.

Proprietary Funds - The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but include long-term outflows and capital assets. The total net position of the Utilities and Refuse Collection Funds at the end of the year amounted to a total of \$21.2 million— increased by \$1.9 million from FY 2018. The Utilities Fund increased its net position from \$18.5 million in FY 2018 to \$20.4 million in FY 2019. The Refuse Fund decreased its net position from \$838,113 in FY 2018 to \$728,033 in FY 2019. There were changes in the IMRF results and the calculation of the total liability for OPEB. The Utilities Fund, had rate increases for FY 2019 and the Refuse Fund did not have a rate increase.

Capital Asset and Debt Administration

Capital Assets - The City of Rolling Meadows’ net investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$165.4 million (net of accumulated depreciation) (see Statement of Net Position). This investment in capital assets includes land, land improvements, construction in progress, buildings, machinery, equipment, roads, bridges and vehicles. The following table summarizes the changes in capital assets. The governmental activities net capital assets increased by approximately \$10.3 million due to the addition of new capital assets and the depreciation of existing assets. The business-type activities net capital assets increased by \$2.2 million with the addition of new capital assets and the depreciation of existing assets.

**City of Rolling Meadows
Capital Assets at Year End
Net of Depreciation
(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Land	\$101.7	\$101.7	\$—	\$—	\$101.7	\$101.7
Land Improvements	0.5	0.5	0.1	0.1	0.6	0.6
Construction in Progress	6.2	13.1	1.3	3.1	7.5	16.2
Buildings	4.8	4.5	1.2	1.1	6.0	5.6
Machinery & Equipment	1.6	1.6	0.1	0.1	1.7	1.7
Infrastructure	17.8	20.3	14.2	14.7	32.0	35.0
Vehicles	3.2	4.6	0.0	0.0	3.2	4.6
Total	\$135.8	\$146.3	\$16.9	\$19.1	\$152.7	\$165.4

* Rounding differences may occur.

The City of Rolling Meadows produces a five-year Capital Improvements Plan (CIP) and updates it annually. As part of the City’s Capital Improvements Plan and in the City’s FY 2019 Budget, the City invested approximately \$12 million in capital improvements (assets and other improvements). Investing and maintaining the City’s capital assets is essential for the City’s overall financial strength and for the benefit of the City’s residents and businesses.

One of the largest building projects is the Fire Stations Project. The culmination of a public safety initiative years in the making, the City issued \$9.5 million general obligation bonds in December 2018 and \$8.5 million in March 2019 (of which approximately \$4.0 million were for the fire stations project and \$4.5 million for underground utilities capital expenditures). This long-term capital project plan is to relocate its two fire stations to meet the nationally-recognized service standards and improve response times to the entire City.

Additional information on the City of Rolling Meadows’ capital assets may be found on pages 88 through 90 of this report.

DEBT OUTSTANDING

At the end of the fiscal year 2019, the City of Rolling Meadows had total bonded debt outstanding of \$20.5 million and 100% comprises debt backed by the full faith and credit of the government. No short term debt was issued during 2018. The City retired \$1,080,000 in general obligation bonds in FY 2019 and issued \$8.5 million in general obligation bonds for the remainder of the fire stations project expenditures and underground utilities capital projects.

**City of Rolling Meadows
Outstanding General Obligation Debt (in millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
General Obligation Bonds	\$12.8	\$16.1	\$0.3	\$4.4	\$13.1	\$20.5

In FY 2013, taking advantage of historically low interest rates, the City refinanced general obligation bonds for the City’s TIF #2 Kirchoff & Owl Fund saving approximately \$60,000 in interest savings.

In FY 2012, the City refinanced nearly \$10 million worth of general obligation bonds to save taxpayers nearly \$750,000 over the life of the bonds. The three general obligation bonds included the 2002A, the 2002B and the 2004 Series.

In December 2013, Standard & Poor’s Rating Services raised the City’s long-term rating on the City of Rolling Meadows’ general obligation bonds to AA+ from A+ based on Standard & Poor’s Rating recently released local General Obligation criteria. Standard & Poor’s cited the City’s very strong budgetary flexibility, liquidity and strong budgetary performance among the reasons behind the increase in the credit rating. In November 2018, Standard & Poor’s reviewed the City’s credit rating as part of the comprehensive review for the issuance of general obligation bonds. Standard & Poor’s reaffirmed the City’s credit rating of an AA+ with a stable outlook.

In November 2014, Moody’s Investor Service upgraded Rolling Meadows’ general obligation (GO) bond rating to Aa3 from a previous rating of A1, reflecting the agency’s confidence in the City’s overall financial health. The Moody’s report cited a substantial increase in the City’s reserve levels as well as a strong capacity to meet financial obligations. In March 2018, Moody’s reaffirmed the City’s bond rating of Aa3.

The City of Rolling Meadows has taken advantage of low-interest loans from the Illinois Environmental Protection Agency (IEPA) for construction and eligible engineering costs associated with watermain improvements and sewerworks improvements. The IEPA Loans are paid from the City's Utilities Fund. The IEPA Water Loan Payable (Principal and Interest) at December 31, 2019 for the Waterworks Improvements is \$963,741. The IEPA Sewer Loan Payable (Principal and Interest) at December 31, 2019 is \$1,051,537. The City began making payments on both of the IEPA Loans in FY 2014. (These loans will be paid back by FY 2034.)

The City of Rolling Meadows, under its home rule authority, does not have a legal debt limit.

Economic Factors and Next Year's Budget

The General Fund is the City's primary operating fund and pays for the majority of the City's services – public safety fire and police services, public works services and City administration services, [except for water, sewer and stormwater services accounted for in the Utilities Funds and Refuse (Garbage and Recycling) services accounted for in the Refuse Fund]. The financial condition for the City and in particular the General Fund has improved significantly over the last ten year years with a few unanticipated increases in revenues such as Building Permits, Red Light Enforcement Fines, and Real Estate Transfer Taxes have added to General Fund reserves.

It is very clear that the COVID-19 pandemic, which started after the close of 2019, will have an immediate impact on municipal revenues. The extent of the duration and the level of the impact is yet to be seen. The City's strong fund balances are important to the City's recovery and resiliency plan. Heading into this economic situation, the City has a strong balance sheet with cash reserves and an investment grade credit rating. The General Fund's balance is in parameters with its fund balance policy.

In recent years, the City has expanded its revenue base with new revenues from video gaming revenues, ambulance fees and the natural gas tax. In FY 2020, the City will begin to receive revenues from legal marijuana in the General Fund. The City's balance sheet is strong with approximately \$30 million in its overall cash position and has capacity to weather this time period.

Providing essential and quality services to our community during this difficult time continues. The overall financial impact, while uncertain, will be mitigated by some use of reserves coupled with some deferrals of projects and budgetary cuts. Continuing capital improvements such as the annual street program and providing essential operations are critical to the City's resiliency plan. Balancing the City's priorities with its available resources is taking place and will be an important part of the City's strategic plan throughout this year.

Requests for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be addressed to the Finance Department, City of Rolling Meadows, 3600 Kirchoff Road, Rolling Meadows, Illinois, 60008.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Net Position

December 31, 2019

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Net Position
December 31, 2019**

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Totals	Unit Public Library
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 20,952,724	9,557,530	30,510,254	2,711,228
Receivables - Net of Allowances	18,585,816	1,741,585	20,327,401	3,883,703
Prepays/Inventories	5,855,508	129,067	5,984,575	—
Total Current Assets	45,394,048	11,428,182	56,822,230	6,594,931
Noncurrent Assets				
Capital Assets				
Nondepreciable	114,766,354	3,140,314	117,906,668	608,893
Depreciable	91,619,192	33,288,275	124,907,467	9,525,976
Accumulated Depreciation	(60,176,991)	(17,268,142)	(77,445,133)	(5,732,711)
	146,208,555	19,160,447	165,369,002	4,402,158
Other Assets				
Equity Interest in Joint Venture	—	730,799	730,799	—
Total Noncurrent Assets	146,208,555	19,891,246	166,099,801	4,402,158
Total Assets	191,602,603	31,319,428	222,922,031	10,997,089
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	761,465	230,146	991,611	253,607
Deferred Items - Police Pension	6,285,248	—	6,285,248	—
Deferred Items - Firefighters' Pension	6,099,803	—	6,099,803	—
Deferred Items - RBP	1,196,134	22,606	1,218,740	58,796
Loss on Refunding	101,187	—	101,187	—
Total Deferred Outflows of Resources	14,443,837	252,752	14,696,589	312,403
Total Assets and Deferred Outflows of Resources	206,046,440	31,572,180	237,618,620	11,309,492

The notes to the financial statements are an integral part of this statement.

	Primary Government			Component
	Governmental	Business-Type	Totals	Unit
	Activities	Activities		Public Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,484,036	832,269	3,316,305	172,903
Accrued Payroll	522,019	52,916	574,935	128,809
Deposits Payable	516,892	504,058	1,020,950	—
Interest Payable	22,404	16,896	39,300	—
Other Payables	193,863	—	193,863	—
Current Portion of Long-Term Liabilities	—	—	—	—
Compensated Absences Payable	1,014,394	30,138	1,044,532	15,556
IEPA Loans Payable	—	123,874	123,874	—
General Obligation Bonds Payable - Net	1,170,503	287,174	1,457,677	—
Total Current Liabilities	5,924,111	1,847,325	7,771,436	317,268
Noncurrent Liabilities				
Compensated Absences Payable	2,484,949	339,910	2,824,859	62,224
Net Pension Liability - IMRF	4,103,600	1,240,280	5,343,880	1,366,719
Net Pension Liability - Police Pension	33,519,594	—	33,519,594	—
Net Pension Liability - Firefighters' Pension	39,447,638	—	39,447,638	—
Total OPEB Liability - RBP	6,554,477	123,874	6,678,351	322,187
IEPA Loans Payable	—	1,891,404	1,891,404	—
General Obligation Bonds Payable - Net	15,704,424	4,382,271	20,086,695	—
Total Noncurrent Liabilities	101,814,682	7,977,739	109,792,421	1,751,130
Total Liabilities	107,738,793	9,825,064	117,563,857	2,068,398
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	14,737,427	—	14,737,427	3,873,995
Grants	280,000	—	280,000	—
Deferred Items - IMRF	1,949,847	589,325	2,539,172	649,404
Deferred Items - Police Pension	5,869,531	—	5,869,531	—
Deferred Items - Firefighters' Pension	4,161,449	—	4,161,449	—
Deferred Items - RBP	394,370	7,453	401,823	19,385
Total Deferred Inflows of Resources	27,392,624	596,778	27,989,402	4,542,784
Total Liabilities and Deferred Inflows of Resources	135,131,417	10,421,842	145,553,259	6,611,182
NET POSITION				
Net Investment in Capital Assets	134,024,598	12,475,724	146,500,322	4,402,158
Restricted - Public Safety	1,580,544	—	1,580,544	—
Restricted - Highways and Streets	367,755	—	367,755	—
Restricted - Debt Service	17,515	—	17,515	—
Restricted - Public Library	—	—	—	305,704
Unrestricted (Deficit)	(65,075,389)	8,674,614	(56,400,775)	(9,552)
Total Net Position	70,915,023	21,150,338	92,065,361	4,698,310

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2019.

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 2,125,040	3,405,801	—	—
Public Safety	25,520,356	2,388,269	45,476	—
Highways and Streets	1,828,790	—	—	1,241,264
Public Works	5,903,450	—	—	—
Health and Welfare	13,526	—	—	—
Economic Development	6,802,153	—	—	—
Interest on Long-Term Debt	666,724	—	—	—
Total Governmental Activities	42,860,039	5,794,070	45,476	1,241,264
Business-Type Activities				
Utilities	9,815,137	11,597,371	—	—
Refuse Collection	2,288,099	2,173,823	—	—
Total Business-Type Activities	12,103,236	13,771,194	—	—
Total Primary Government	54,963,275	19,565,264	45,476	1,241,264
Component Unit - Public Library	3,998,609	26,148	39,464	—

General Revenues
 Taxes
 Property
 State Sales and Home Rule
 Simplified Telecommunications
 Electric Utility
 Natural Gas
 Hotel
 Food and Beverage
 Real Estate Transfer
 Other Taxes
 Intergovernmental - Unrestricted
 Income Taxes
 Local Use Taxes
 Replacement Taxes
 Video Gaming Revenues
 Interest
 Miscellaneous
 Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Totals	Public Library
1,280,761	—	1,280,761	—
(23,086,611)	—	(23,086,611)	—
(587,526)	—	(587,526)	—
(5,903,450)	—	(5,903,450)	—
(13,526)	—	(13,526)	—
(6,802,153)	—	(6,802,153)	—
(666,724)	—	(666,724)	—
(35,779,229)	—	(35,779,229)	—
—	1,782,234	1,782,234	—
—	(114,276)	(114,276)	—
—	1,667,958	1,667,958	—
(35,779,229)	1,667,958	(34,111,271)	—
—	—	—	(3,932,997)
18,528,573	—	18,528,573	3,967,525
6,092,965	—	6,092,965	—
1,090,862	—	1,090,862	—
1,173,873	—	1,173,873	—
595,966	—	595,966	—
327,709	—	327,709	—
1,447,335	—	1,447,335	—
327,913	—	327,913	—
344,660	—	344,660	—
2,585,667	—	2,585,667	—
813,140	—	813,140	—
224,814	—	224,814	77,362
70,927	—	70,927	—
724,000	190,131	914,131	16,677
474,165	—	474,165	7,858
34,822,569	190,131	35,012,700	4,069,422
(956,660)	1,858,089	901,429	136,425
71,871,683	19,292,249	91,163,932	4,218,859
70,915,023	21,150,338	92,065,361	4,355,284

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2019

	General	Motor Fuel Tax
ASSETS		
Cash and Investments	\$ 8,153,819	261,968
Receivables - Net of Allowances		
Property Taxes	12,070,952	—
Other Taxes	2,652,419	105,787
Accounts	350,341	—
Due from Other Funds	1,168,207	—
Prepays	26,883	—
	<u>24,422,621</u>	<u>367,755</u>
LIABILITIES		
Accounts Payable	346,376	—
Accrued Payroll	511,316	—
Deposits Payable	489,722	—
Due to Other Funds	—	—
Other Payables	193,863	—
Total Liabilities	<u>1,541,277</u>	<u>—</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	12,090,894	—
Grants	—	—
Total Deferred Inflows of Resources	<u>12,090,894</u>	<u>—</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,632,171</u>	<u>—</u>
FUND BALANCES		
Nonspendable	26,883	—
Restricted	—	367,755
Committed	1,400,000	—
Assigned	—	—
Unassigned	9,363,567	—
Total Fund Balances	<u>10,790,450</u>	<u>367,755</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>24,422,621</u>	<u>367,755</u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Local Roads	Fire Stations	TIF #4 Golf Road	Nonmajor	Totals
17,423	183,302	3,276,419	3,189	1,607,992	13,504,112
92	1,000,489	946,533	—	701,334	14,719,400
—	106,032	—	—	—	2,864,238
—	545,277	9,684	—	1,264	906,566
—	—	—	—	—	1,168,207
—	—	—	—	50,657	77,540
17,515	1,835,100	4,232,636	3,189	2,361,247	33,240,063
—	199,317	1,344,859	—	29,230	1,919,782
—	—	—	—	—	511,316
—	—	—	—	—	489,722
—	—	—	—	1,157,827	1,157,827
—	—	—	—	—	193,863
—	199,317	1,344,859	—	1,187,057	4,272,510
—	1,000,000	946,533	—	700,000	14,737,427
—	280,000	—	—	—	280,000
—	1,280,000	946,533	—	700,000	15,017,427
—	1,479,317	2,291,392	—	1,887,057	19,289,937
—	—	—	—	50,657	77,540
17,515	—	—	—	1,580,544	1,965,814
—	—	—	—	—	1,400,000
—	355,783	1,941,244	3,189	—	2,300,216
—	—	—	—	(1,157,011)	8,206,556
17,515	355,783	1,941,244	3,189	474,190	13,950,126
17,515	1,835,100	4,232,636	3,189	2,361,247	33,240,063

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities

December 31, 2019

Total Governmental Fund Balances \$ 13,950,126

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. 133,422,852

Deferred outflows (inflows) of resources related to the pensions not reported in the funds.

Deferred Items - IMRF	(1,188,382)
Deferred Items - Police Pension	415,717
Deferred Items - Firefighters' Pension	1,938,354
Deferred Items - RBP	801,764

Internal Service Funds are used by the City to charge the costs of vehicle and equipment management and employee compensated absences to individual funds.

The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 25,371,330

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences Payable	(3,375,285)
Net Pension Liability - IMRF	(4,103,600)
Net Pension Liability - Police Pension	(33,519,594)
Net Pension Liability - Firefighters' Pension	(39,447,638)
Total OPEB Liability - RBP	(6,554,477)
General Obligation Bonds Payable - Net	(16,874,927)
Unamortized Loss on Refunding	101,187
Accrued Interest Payable	(22,404)

Net Position of Governmental Activities 70,915,023

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2019**

	General	Motor Fuel Tax
Revenues		
Taxes	\$ 23,496,094	—
Intergovernmental	3,740,024	790,589
Licenses and Permits	1,280,705	—
Charges for Services	3,329,586	—
Fines and Forfeitures	1,114,728	—
Interest	408,821	8,167
Miscellaneous	452,528	—
Total Revenues	<u>33,822,486</u>	<u>798,756</u>
Expenditures		
Current		
General Government	2,976,876	—
Public Safety	25,619,719	—
Highways and Streets	—	—
Public Works	4,086,068	—
Health/Welfare and Culture	13,526	—
Economic Development	40,299	—
Capital Outlay	—	592,275
Debt Service		
Principal Retirement	—	—
Interest and Fiscal Charges	—	—
Total Expenditures	<u>32,736,488</u>	<u>592,275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,085,998</u>	<u>206,481</u>
Other Financing Sources (Uses)		
Debt Issuance	—	—
Premium on Debt Issuance	—	—
Transfers In	200,000	—
Transfers Out	<u>(1,609,934)</u>	<u>—</u>
	<u>(1,409,934)</u>	<u>—</u>
Net Change in Fund Balances	(323,936)	206,481
Fund Balances - Beginning	<u>11,114,386</u>	<u>161,274</u>
Fund Balances - Ending	<u><u>10,790,450</u></u>	<u><u>367,755</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Local Roads	Fire Stations	TIF #4 Golf Road	Nonmajor	Totals
—	1,816,539	—	3,622,731	994,492	29,929,856
—	450,675	—	—	—	4,981,288
—	—	—	—	—	1,280,705
—	—	—	—	—	3,329,586
—	—	—	—	69,051	1,183,779
—	22,196	252,993	1,329	2,018	695,524
—	21,637	—	—	—	474,165
—	2,311,047	252,993	3,624,060	1,065,561	41,874,903
—	—	—	—	—	2,976,876
—	—	21,894	—	779,755	26,421,368
—	1,135,666	—	—	—	1,135,666
—	—	—	—	—	4,086,068
—	—	—	—	—	13,526
—	—	—	6,705,351	56,503	6,802,153
—	2,431,890	9,407,106	—	—	12,431,271
595,000	—	320,000	—	—	915,000
93,554	—	554,802	—	—	648,356
688,554	3,567,556	10,303,802	6,705,351	836,258	55,430,284
(688,554)	(1,256,509)	(10,050,809)	(3,081,291)	229,303	(13,555,381)
—	—	4,262,240	—	—	4,262,240
—	—	318,599	—	—	318,599
688,075	1,060,000	821,859	—	—	2,769,934
(25,000)	—	(2,120,000)	—	—	(3,754,934)
663,075	1,060,000	3,282,698	—	—	3,595,839
(25,479)	(196,509)	(6,768,111)	(3,081,291)	229,303	(9,959,542)
42,994	552,292	8,709,355	3,084,480	244,887	23,909,668
17,515	355,783	1,941,244	3,189	474,190	13,950,126

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the
Governmental Funds to the Statement of Activities - Governmental Activities
For the Fiscal Year Ended December 31, 2019**

Net Change in Fund Balances - Total Governmental Funds \$ (9,959,542)

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

Governmental funds report capital outlays as expenditures. however, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	11,503,498
Depreciation Expense	(1,817,382)

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(4,736,296)
Change in Deferred Items - Police Pension	(1,832,243)
Change in Deferred Items - Firefighters' Pension	(3,581,811)
Change in Deferred Items - RBP	1,025,873

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Deductions to Compensated Absences Payable	145,536
Deductions to Net Pension Liability - IMRF	4,066,468
Deductions to Net Pension Liability - Police Pension	3,344,647
Deductions to Net Pension Liability - Firefighters' Pension	2,970,419
(Additions) to Total OPEB Liability - RBP	(1,068,689)
Retirement of Debt	915,000
Debt Issuance	(4,262,240)
Issuance of Premium on Debt	(318,599)
Amortization of Bond Premium	37,764
Amortization of Loss of Refunding	(33,728)
Change in Accrued Interest Payable	(22,404)

Internal service funds are used by the City to charge the costs of vehicle and equipment
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities.

2,667,069

Changes in Net Position of Governmental Activities

(956,660)

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

	Business-Type Activities - Enterprise			Governmental
				Activities
	Utilities	Refuse Collection	Totals	Internal Service
ASSETS				
Current Assets				
Cash and Investments	\$ 8,755,365	802,165	9,557,530	7,448,612
Receivables - Net of Allowances - Accounts	1,441,306	300,279	1,741,585	85,232
Prepays	153	—	153	5,777,968
Inventories	128,914	—	128,914	—
Total Current Assets	10,325,738	1,102,444	11,428,182	13,311,812
Noncurrent Assets				
Capital Assets				
Nondepreciable	3,140,314	—	3,140,314	2,199,019
Depreciable	32,689,662	598,613	33,288,275	28,119,362
Accumulated Depreciation	(16,723,876)	(544,266)	(17,268,142)	(17,532,678)
	19,106,100	54,347	19,160,447	12,785,703
Other Assets				
Equity Interest in Joint Venture	730,799	—	730,799	—
Total Noncurrent Assets	19,836,899	54,347	19,891,246	12,785,703
Total Assets	30,162,637	1,156,791	31,319,428	26,097,515
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	183,069	47,077	230,146	—
Deferred Items - RBP	17,808	4,798	22,606	—
Total Deferred Outflows of Resources	200,877	51,875	252,752	—
Total Assets and Deferred Outflows of Resources	30,363,514	1,208,666	31,572,180	26,097,515

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise			Governmental
				Activities
	Utilities	Refuse Collection	Totals	Internal Service
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 771,618	60,651	832,269	564,254
Accrued Payroll	45,334	7,582	52,916	10,703
Deposits Payable	—	—	—	27,170
Accrued Interest Payable	16,896	—	16,896	—
Compensated Absences Payable	25,858	4,280	30,138	57,844
IEPA Loans Payable	123,874	—	123,874	—
General Obligation Bonds Payable	287,174	—	287,174	—
Total Current Liabilities	1,270,754	72,513	1,343,267	659,971
Noncurrent Liabilities				
Deposits Payable	504,058	—	504,058	—
Compensated Absences Payable	333,915	5,995	339,910	66,214
Net Pension Liability - IMRF	986,578	253,702	1,240,280	—
Total OPEB Liability - RBP	97,581	26,293	123,874	—
IEPA Loans Payable	1,891,404	—	1,891,404	—
General Obligation Bonds Payable	4,382,271	—	4,382,271	—
Total Noncurrent Liabilities	8,195,807	285,990	8,481,797	66,214
Total Liabilities	9,466,561	358,503	9,825,064	726,185
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - IMRF	468,777	120,548	589,325	—
Deferred Items - RBP	5,871	1,582	7,453	—
Total Deferred Inflows of Resources	474,648	122,130	596,778	—
Total Liabilities and Deferred Inflows of Resources	9,941,209	480,633	10,421,842	726,185
NET POSITION				
Net Investment in Capital Assets	12,421,377	54,347	12,475,724	12,785,703
Unrestricted	8,000,928	673,686	8,674,614	12,585,627
Total Net Position	20,422,305	728,033	21,150,338	25,371,330

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
Operating Revenues				
Charges for Services	\$ 11,467,271	2,146,461	13,613,732	—
Miscellaneous	130,100	27,362	157,462	1,935,294
Interfund Services	—	—	—	7,689,119
Total Operating Revenues	11,597,371	2,173,823	13,771,194	9,624,413
Operating Expenses				
Administration	1,336,331	987,895	2,324,226	6,296,805
Public Safety	—	—	—	259,227
Public Works	750,000	—	750,000	424,977
Operations	6,594,764	1,295,559	7,890,323	—
Depreciation and Amortization	894,791	4,645	899,436	1,026,995
Total Operating Expenses	9,575,886	2,288,099	11,863,985	8,008,004
Operating Income (Loss)	2,021,485	(114,276)	1,907,209	1,616,409
Nonoperating Revenues (Expenses)				
Disposal of Capital Assets	—	—	—	37,184
Interest Income	185,935	4,196	190,131	28,476
Interest Expense	(239,251)	—	(239,251)	—
	(53,316)	4,196	(49,120)	65,660
Income (Loss) before Transfers	1,968,169	(110,080)	1,858,089	1,682,069
Transfers In	—	—	—	1,435,000
Transfers Out	—	—	—	(450,000)
	—	—	—	985,000
Change in Net Position	1,968,169	(110,080)	1,858,089	2,667,069
Net Position - Beginning	18,454,136	838,113	19,292,249	22,704,261
Net Position - Ending	20,422,305	728,033	21,150,338	25,371,330

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2019**

	Business-Type Activities - Enterprise			Governmental
	Utilities	Refuse Collection	Totals	Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 12,343,607	2,368,171	14,711,778	—
Interfund Services Provided	—	—	—	9,001,720
Payments to Suppliers	(7,975,151)	(2,133,471)	(10,108,622)	(7,076,115)
Payments to Employees	(1,374,509)	(255,957)	(1,630,466)	(376,781)
	<u>2,993,947</u>	<u>(21,257)</u>	<u>2,972,690</u>	<u>1,548,824</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	—	—	—	1,435,000
Transfers Out	—	—	—	(450,000)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>985,000</u>
Cash Flows from Capital and Related Financing Activities				
Disposal of Capital Assets	—	—	—	37,185
Purchase of Capital Assets	(3,114,537)	—	(3,114,537)	(1,591,370)
Issuance of Debt	4,554,529	—	4,554,529	—
Principal Paid on Debt	(285,055)	—	(285,055)	—
Interest Paid on Debt	(239,251)	—	(239,251)	—
	<u>915,686</u>	<u>—</u>	<u>915,686</u>	<u>(1,554,185)</u>
Cash Flows from Investing Activities				
Interest Received	185,935	4,196	190,131	28,476
Net Change in Cash and Cash Equivalents	4,095,568	(17,061)	4,078,507	1,008,115
Cash and Cash Equivalents - Beginning	4,659,797	819,226	5,479,023	6,440,497
Cash and Cash Equivalents - Ending	<u>8,755,365</u>	<u>802,165</u>	<u>9,557,530</u>	<u>7,448,612</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	2,021,485	(114,276)	1,907,209	1,616,409
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and Amortization	894,791	4,645	899,436	1,026,995
Other Income (Expense)	—	—	—	—
(Increase) Decrease in Current Assets	746,236	194,348	940,584	(622,693)
Increase (Decrease) in Current Liabilities	(668,565)	(105,974)	(774,539)	(471,887)
Net Cash Provided by Operating Activities	<u>2,993,947</u>	<u>(21,257)</u>	<u>2,972,690</u>	<u>1,548,824</u>

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

Statement of Fiduciary Net Position

December 31, 2019

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,980,328
Investments	
U.S. Government Obligations	12,171,299
U.S. Agency Obligations	1,537,460
Corporate Bonds	12,860,681
Mutual Funds	51,033,669
Common Stock	4,894,155
Insurance Contracts	4,488,093
Certificates of Deposits	2,170,643
Receivables	
Accrued Interest	225,869
Prepays	<u>3,140</u>
Total Assets	<u>91,365,337</u>
LIABILITIES	
Accounts Payable	26,146
Due to Other Funds	<u>10,380</u>
Total Liabilities	<u>36,526</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>91,328,811</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2019**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 8,121,772
Contributions - Plan Members	<u>1,036,043</u>
Total Contributions	<u>9,157,815</u>
Investment Income	
Interest Earned	2,439,573
Net Change in Fair Value	<u>12,519,699</u>
	14,959,272
Less Investment Expenses	<u>(164,872)</u>
Net Investment Income	<u>14,794,400</u>
Total Additions	<u>23,952,215</u>
Deductions	
Administration	135,322
Benefits and Refunds	<u>7,841,632</u>
Total Deductions	<u>7,976,954</u>
Change in Fiduciary Net Position	15,975,261
Net Position Restricted for Pensions	
Beginning	<u>75,353,550</u>
Ending	<u><u>91,328,811</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Rolling Meadows (City), Illinois, is a municipal corporation and operates under the City Manager form of government. The City's major operations include police and fire protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, water, sewer, refuse collection, stormwater management, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Rolling Meadows
Discretely Presented Component Unit:	City of Rolling Meadows Public Library

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. The pension board is comprised of two members elected from active participants of the fund, one elected pension beneficiary of the fund and two members appointed by the City's President, with the advice and consent of the Board of Trustees. The participants are required to contribute a percentage of salary as established by Illinois statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

REPORTING ENTITY - Continued

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the City's President, two elected from active participants of the Fund, and one elected pension beneficiary of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

City of Rolling Meadows Public Library

The City of Rolling Meadows Public Library operates and maintains the public library within the City. The Public Library's Board is appointed by the Mayor of the City. The Public Library may not issue bonded debt without the City's approval. Separate audited financial statements for the Public Library may be obtained from the Public Library's offices at 3110 Martin Lane, Rolling Meadows, Illinois 60008.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, highways and streets maintenance and reconstruction, planning and zoning services, public improvements, economic development, and general administrative services are classified as governmental activities. The City's water, sewer, refuse collection, and stormwater management services are classified as business-type activities.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Government-Wide Statements - Continued

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

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (administration and finance, public safety, public works, development services, etc.). The functions are supported by administration and finance revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, fines, permits and charges, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

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

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is a primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

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

General Fund is the general operating fund of the City. It accounts for all revenues and expenditures of the City which are not accounted for in other funds. The General Fund is a major fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains one major special revenue fund, the Motor Fuel Tax Fund, which is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The City uses this fund to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals. The City also maintains three nonmajor special revenue funds, the 911 Emergency Telephone Fund, the Foreign Fire Tax Fund and the Asset Seizure Fund.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Governmental Funds - Continued

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains one major debt service funds, the Debt Service Fund. The Debt Service Fund is used to account for the payment of interest and principal on the City's general long-term debt obligations for the governmental activities.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains three major capital projects funds, the Local Road Fund, the Fire Stations Fund, and the TIF #4 Golf Road Fund. The Local Road Fund is used to account for street improvements, including resurfacing, curb and gutter, sidewalks and bike paths. The Fire Stations Fund is used to account for the purchase of property for two fire stations, demolition of existing structures, engineering and design costs, regulatory and permitting costs, construction and legal costs, as well as acquisition and installation of furniture, fixtures and equipment costs related to two fire stations. The TIF #4 Golf Road Fund is used to account for the redevelopment of the property located primarily in the Meadows Corporate Center area along the Golf Road corridor (2850 Golf Road). The City also maintains one nonmajor capital projects funds: the TIF #2 Kirchoff/Owl Fund.

Proprietary Funds

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

Enterprise funds account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains two major enterprise funds, the Utilities Fund and the Refuse Collection Fund. The Utilities Fund is used to account for all resources collected and used to provide water and sanitary services to the City as well as to account for the resources collected to finance storm water runoff and creek bank improvements. The Refuse Collection Fund is used to account for all the resources collected and used to provide waste collection and disposal services.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

Proprietary Funds - Continued

Internal Service Funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains five internal services funds, the Municipal Garage Fund, the Vehicle Replacement Fund, the Buildings and Land Fund, the Liability Insurance Fund, and the Health Insurance Fund. The Municipal Garage Fund is used to account for the resources collected from other City departments used to provide maintenance to City vehicles and major equipment/machinery. The Vehicle Replacement Fund is used to account for the resources collected from other City departments used in replacing City vehicles and major equipment. The Buildings and Land Fund is used to account for the resources collected from other City departments used for the purchase of land or buildings, or the remodeling, renovation, and expansion of current buildings. The Liability Insurance Fund is used to account for the resources collected from other City departments used to manage funding of the property/casualty/workers compensation claims. The Health Insurance Fund is used to account for resources collected from other City departments to fund the City's portion of health insurance premiums as well as those of retired employees.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, highways and streets, etc.).

Fiduciary Funds

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

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

The City's pension trust funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of the “economic resources” measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, use taxes, telecommunications taxes, local and state motor fuel taxes, food and beverages taxes, replacement taxes, franchise taxes, utility taxes, hotel/motel taxes, fines, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary funds and pension trust funds utilize 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.

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 City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service 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.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, 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.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report charges for services as their major receivables.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets and storm sewers are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	7 - 31.5 Years
Buildings	7 - 45 Years
Vehicles and Equipment	15 - 60 Years
Water and Sewerage Infrastructure	5 - 20 Years
Other Infrastructure	5 - 15 Years

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement pursuant to the City’s personnel rules and union contracts.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

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

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the 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.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds except the Foreign Fire Tax, the Asset Seizure, and the pension trust funds. All annual appropriations lapse at fiscal year-end.

All departments of the City submit requests for appropriation to the City Manager so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the prior years, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations. A final budget must be prepared and adopted prior to December 31.

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

During the year, four supplemental appropriations were necessary. The amounts reflected in the financial statements represent the original and final budget.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

Fund	Excess
Fire Stations (83)	\$ 3,597,294
TIF #4 Golf Road (38)	829,833
Refuse Collection (16)	53,350
Liability Insurance (23)	21,353

For the Fire Stations Fund (83), the overage is due to the budget for the general obligation bonds not approved by the City Council until 2020.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS - Continued

The TIF #4 Golf Road (38) Fund was created July 28, 2015. The large commercial insurance broker Arthur J. Gallagher Insurance relocated its headquarters from Itasca to Rolling Meadows in March 2017. Arthur J. Gallagher Insurance invested more than \$100 million to upgrade buildings, add garages and roadways and landscaping in the Meadows Corporate Center (2850 Golf Road) relocating approximately 2,000 employees to the new location. The City approved the Golf Road Tax Increment Financing District with a shortened TIF term of 15 years to help finance the redevelopment costs of the area. This TIF is over budget for FY 2019 due to the first TIF-eligible reimbursement was made to Arthur J. Gallagher per the Redevelopment Agreement.

The Refuse Fund (16) had additional dump fees for the year and some changes in plan coverage for health insurance.

For the Liability Insurance Fund (23), the overage of \$21,353 is due to additional liability insurance claims which were reimbursed by IRMA.

DEFICIT FUND EQUITY

The following funds had deficit fund balance as of the date of this report:

Fund	Deficit
TIF #2 Kirchoff/Owl (37)	\$ 1,157,011

The TIF #2 Kirchoff/Owl (37) Fund was created in 2002 and is located at the southeast corner of Kirchoff Road and Owl Drive. The parcel was redeveloped with 124 condominiums and 14,000 square feet of commercial / office space. However, a fourth building, originally planned, was not built. The Fund is estimated to end in a positive net position at the end of its termination approximately FY 2023.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Illinois Statutes authorizes the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

The Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office 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. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

The Illinois Public Reserves Investment Management Trust (IPRIME) is an investment opportunity and cash management service for Illinois Municipal Treasurers acting on behalf of counties, townships, cities, towns, villages, special road districts, public water supply districts, fire protection districts, drainage districts, levee districts, sewer districts, housing authorities, and all other political corporations or subdivisions of the State of Illinois. Participation in IPRIME is voluntary. IPRIME is not registered with the SEC as an Investment Company. Investments in IPRIME are valued at the share price, the price for which the investment could be sold.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

The deposits and investments of the Pension Funds are held separately from those of other City funds. Illinois Statutes authorizes the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, Pension Funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type totaled \$4,932,310 and the bank balances totaled \$5,075,673. Additionally, the City has \$2,591,528 invested in the Illinois Funds, \$6,035,230 invested in the IMET Fund, and \$16,951,186 invested in PMA IPRIME. The City's investments in Illinois Funds, IMET and IPRIME are 2a7-like investment pools that are measured at the net asset value per share as determined by the pool.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its interests rate risk by structuring its 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, and by investing operating funds primarily in shorter term securities, money market mutual funds, or similar investment pools. The City's investments in the Illinois Funds and IPRIME have an average maturity of less than one year. The City's investments in the IMET Fund have an average maturity of less than one year and one to three years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the City's investment policy further states investments are limited to U.S. government obligations; U.S. government agency obligations which have a liquid market value with a readily determinable market value; certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the highest tier by a nationally recognized rating agency; investment-grade obligations of state and local governments and public authorities; repurchase agreements whose underlying purchased securities consist of money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities; local government investment pools; any other investments allowed by Illinois Complied Statutes. At year-end, the City's investment in the Illinois Funds was rated AAAM by Standard & Poor's. The Illinois Metropolitan Investment Trust Convenience Fund is not rated and the Illinois Metropolitan Investment Trust 1-3 Year Fund is rated AA Af by Standard & Poor's. The investment in the IPRIME is rated AAAM by Standard & Poor's.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy states that the City shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual institutions. Furthermore, no financial institution shall hold more than fifty percent (50%) of the City's investment portfolio, exclusive of U.S. Treasury securities held in safekeeping. Commercial paper shall not exceed twenty-five percent (25%) of the City's investment portfolio. At December 31, 2019, all of the City's investments are in compliance with the guidelines outlined above in the City's investment policy. At year-end, the City does not have any investments over 5 percent of the cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

City - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Per the City's investment policy, the amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third-party depository designated by the City and evidenced by a safekeeping agreement. In accordance with its investment policy, all City deposits with financial institutions are fully insured and collateralized.

For an investment, this 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 City's investments in the Illinois Funds, the IMET Fund, and IPRIME are not subject to custodial credit risk.

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$163,078 and the bank balances totaled \$163,078.

Investments. The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2019:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 5,980,444	—	2,380,034	3,600,410	—
U.S. Agency Obligations	739,492	—	—	427,189	312,303
Corporate Bonds	7,500,169	362,216	4,404,435	2,733,518	—
Certificates of Deposit	2,170,643	247,092	1,923,551	—	—
Totals	16,390,748	609,308	8,708,020	6,761,117	312,303

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. The Fund has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 5,980,444	5,980,444	—	—
U.S. Agency Obligations	739,492	—	739,492	—
Corporate Bonds	7,500,169	—	7,500,169	—
Equity Securities				
Mutual Funds	26,237,829	26,237,829	—	—
Common Stock	4,894,155	4,894,155	—	—
Insurance Contracts	2,412,695	2,412,695	—	—
Certificate of Deposits	2,170,643	2,170,643	—	—
Total Investments Measured at Fair Value	49,935,427	41,695,766	8,239,661	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Credit Risk. The Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. As of December 31, 2019, the credit ratings of the Fund's U.S. Agency Obligations are rated AA+, the corporate debt securities are rated Aaa-Baa3 by Standard & Poor's, and certificate of deposits are rated BBB- to AA+ by Standard & Poor's.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Custodial Credit Risk. For deposits, this is the risk that in the event of bank failure the Fund's deposits may not be returned to it. At December 31, 2019, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository, since flow-through FDIC is available for the Fund's deposits with financial institutions. For investments, the Fund limits its exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Fund, to act as custodian for its securities and collateral.

Interest Rate Risk. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The Fund's investment policy requires that the average maturity and duration of the portfolio be maintained at approximately five years and range from two to seven years.

Concentration of Credit Risk. In addition, the Fund also has \$26,237,829 invested in mutual funds, \$4,894,155 invested in common stock, and \$2,412,695 invested in insurance contracts. At December 31, 2019, the Fund has the following investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments):

Investment	Amount
Vanguard Developed MKTS Index	\$ 4,166,642
Vanguard Institutional Index Fund	10,797,779
Vanguard Institutional Income	4,304,635

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Police Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration of Credit Risk - Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of</u>
Fixed Income	35%	2.10%
Domestic Equities	40%	5.60%
International Equities	15%	5.80%
Global Tactical	5%	3.70%
Real Estate - Core	5%	5.00%
Cash and Cash Equivalents	0%	0.70%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in March 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,817,250 and the bank balances totaled \$1,883,061.

Investments. At year-end, the Firefighters' Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Obligations	\$ 6,190,855	—	1,575,962	3,635,544	979,349
U.S. Agency Obligations	797,968	—	—	797,968	—
Corporate Bonds	5,360,512	58,215	2,086,040	1,521,742	1,694,515
Totals	12,349,335	58,215	3,662,002	5,955,254	2,673,864

The Fund has the following recurring fair value measurements as of December 31, 2019:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Government Obligations	\$ 6,190,855	6,190,855	—	—
U.S. Agency Obligations	797,968	—	797,968	—
Corporate Bonds	5,360,512	—	5,360,512	—
Equity Securities				
Insurance Contracts	2,075,398	2,075,398	—	—
Mutual Funds	24,795,840	24,795,840	—	—
Total Investments Measured at Fair Value	39,220,573	33,062,093	6,158,480	—

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Fund's investment policy does not address interest rate risk.

Credit Risk. The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. As of December 31, 2019, the credit ratings of the Fund's U.S. Agency Obligations ranged from AA+ by Standard & Poor's and the corporate bonds are rated BBB- to AAA by Standard & Poor's.

Custodial Credit Risk s. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2019, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Fund's investment policy does not limit custodial credit risk for investments. At December 31, 2019, the U.S. Government Obligations are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Foreign Currency Risk. The Fund's investment policy does not address exposure to foreign currency risk.

Concentration of Credit Risk. At year end, the Fund also has \$24,795,840 invested in mutual funds and \$2,075,398 invested in insurance contracts. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2019, the Fund has the following investments over 5 percent of net position available for benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments): Property Investment of \$2,075,398.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk - Continued

Concentration of Credit Risk - Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of
Fixed Income	42%	0.70% - 3.20%
Domestic Equities	45%	3.60% - 4.50%
International Equities	5%	5.20%
Commodities	0.00%	0.50%
REITS	5.00%	4.00%
Cash and Cash Equivalents	3.00%	(0.10%)

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in January 2020 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table above.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.65%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 101,650,189	—	—	101,650,189
Construction in Progress	6,249,522	11,242,580	4,375,937	13,116,165
	<u>107,899,711</u>	<u>11,242,580</u>	<u>4,375,937</u>	<u>114,766,354</u>
Depreciable Capital Assets				
Land Improvements	1,367,862	—	—	1,367,862
Buildings	14,813,376	122,057	—	14,935,433
Infrastructure	56,537,152	4,138,664	—	60,675,816
Machinery and Equipment	5,288,204	195,971	—	5,484,175
Vehicles	7,642,215	1,771,533	257,842	9,155,906
	<u>85,648,809</u>	<u>6,228,225</u>	<u>257,842</u>	<u>91,619,192</u>
Less Accumulated Depreciation				
Land Improvements	869,103	46,749	—	915,852
Buildings	9,975,546	444,334	—	10,419,880
Infrastructure	38,688,914	1,720,419	—	40,409,333
Machinery and Equipment	3,641,124	260,257	—	3,901,381
Vehicles	4,415,769	372,618	257,842	4,530,545
	<u>57,590,456</u>	<u>2,844,377</u>	<u>257,842</u>	<u>60,176,991</u>
Total Net Depreciable Capital Assets	<u>28,058,353</u>	<u>3,383,848</u>	<u>—</u>	<u>31,442,201</u>
Total Net Capital Assets	<u>135,958,064</u>	<u>14,626,428</u>	<u>4,375,937</u>	<u>146,208,555</u>

Depreciation expense was charged to governmental activities as follows:

Public Works	\$ 1,817,382
Internal Service	<u>1,026,995</u>
	<u>2,844,377</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,318,779	2,285,649	464,114	3,140,314
Depreciable Capital Assets				
Land Improvements	400,336	—	—	400,336
Building Improvements	3,801,290	—	—	3,801,290
Machinery and Equipment	1,978,564	—	—	1,978,564
Waterworks System	12,158,094	88,478	—	12,246,572
Sewerage System	13,617,170	1,204,524	—	14,821,694
Garage	39,819	—	—	39,819
	<u>31,995,273</u>	<u>1,293,002</u>	<u>—</u>	<u>33,288,275</u>
Less Accumulated Depreciation				
Land Improvements	254,817	13,626	—	268,443
Building Improvements	2,606,076	69,987	—	2,676,063
Machinery and Equipment	1,888,642	24,989	—	1,913,631
Waterworks System	4,570,453	272,926	—	4,843,379
Sewerage System	6,993,815	532,992	—	7,526,807
Garage	39,819	—	—	39,819
	<u>16,353,622</u>	<u>914,520</u>	<u>—</u>	<u>17,268,142</u>
Total Other Capital Assets	<u>15,641,651</u>	<u>378,482</u>	<u>—</u>	<u>16,020,133</u>
Total Capital Assets	<u>16,960,430</u>	<u>2,664,131</u>	<u>464,114</u>	<u>19,160,447</u>

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

Utilities	\$ 909,875
Refuse Collection	<u>4,645</u>
	<u>914,520</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Component Unit - Public Library

Component Unit – Public Library capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 608,893	—	—	608,893
Depreciable Capital Assets				
Buildings and Improvements	5,361,213	439,299	5,880	5,794,632
Furniture and Equipment	618,098	17,340	—	635,438
Books and Other Library Materials	2,508,603	221,398	210,519	2,519,482
Audio Visual Materials	564,494	47,131	35,201	576,424
	<u>9,052,408</u>	<u>725,168</u>	<u>251,600</u>	<u>9,525,976</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,938,834	122,696	2,058	3,059,472
Furniture and Equipment	573,413	11,093	—	584,506
Books and Other Library Materials	1,609,495	255,777	210,519	1,654,753
Audio Visual Materials	407,975	61,206	35,201	433,980
	<u>5,529,717</u>	<u>450,772</u>	<u>247,778</u>	<u>5,732,711</u>
Total Other Capital Assets	<u>3,522,691</u>	<u>274,396</u>	<u>3,822</u>	<u>3,793,265</u>
Total Capital Assets	<u>4,131,584</u>	<u>274,396</u>	<u>3,822</u>	<u>4,402,158</u>

PROPERTY TAXES

Property taxes for 2019 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Cook County and are payable in two installments, on or about March 1 and September 1 during the following year. The County collects such taxes and remits them periodically. Based upon collection histories, the City has provided an allowance for uncollectible property taxes equivalent to 5% and 3% of the current year’s levy for Debt Service Funds and all other funds, respectively.

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Internal Service	\$ 200,000 (1)
Debt Service	General	688,075 (2)
Local Roads	Fire Stations	1,060,000 (1)
Fire Stations	General	821,859 (3)
Internal Service	Debt Service	25,000 (1)
Internal Service	Fire Stations	1,060,000 (1)
Internal Service	General	100,000 (3)
Internal Service	Internal Service	250,000 (1)
		<u>4,204,934</u>

INTERFUND BALANCES

Interfund balances are advances in anticipation of receipts. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	TIF #2 Kirchoff/Owl	\$ 1,157,827
General	Police Pension	4,960
General	Firefighters' Pension	5,420
		<u>1,168,207</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2012 (\$9,690,000), due in annual installments of \$80,000 to \$1,215,000 plus interest at 2.00% to 3.00% through January 1, 2024.	Debt Service (Sales Tax)	\$ 3,295,000	—	595,000	2,700,000
	Utilities	295,000	—	165,000	130,000
General Obligation Bonds of 2018 (\$9,500,000), due in annual installments of \$320,000 to \$670,000 plus interest at 4.00% through December 15, 2038.	Fire Station	9,500,000	—	320,000	9,180,000
General Obligation Bonds of 2019 (\$8,500,000), due in annual installments of \$285,000 to \$600,000 plus interest at 4.00% through December 15, 2039.	Debt Service (Property Tax)	—	4,262,240	—	4,262,240
	Utilities	—	4,237,760	—	4,237,760
		<u>13,090,000</u>	<u>8,500,000</u>	<u>1,080,000</u>	<u>20,510,000</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

IEPA Loans Payable

The City has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA (L17-4070) Loan Payable of 2012 - Due in semi-annual installments of \$40,440 including interest at 2.295% through September 15, 2033.	Utilities	\$ 1,021,507	—	57,766	963,741
IEPA (L17-4141) Loan Payable of 2013 - Due in semi-annual installments of \$41,743 including interest at 1.930% through May 1, 2034.	Utilities	1,113,826	—	62,289	1,051,537
		<u>2,135,333</u>	<u>—</u>	<u>120,055</u>	<u>2,015,278</u>

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

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

To date the Illinois General Assembly has set no limits for home rule municipalities. The City is a home rule municipality.

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences					
General	\$ 3,520,821	145,536	291,072	3,375,285	956,550
Internal Services	121,411	5,292	2,645	124,058	57,844
Net Pension Liability					
IMRF	8,170,068	—	4,066,468	4,103,600	—
Police Pension	36,864,241	—	3,344,647	33,519,594	—
Firefighters' Pension	42,418,057	—	2,970,419	39,447,638	—
Total OPEB Liability - RBP	5,485,788	1,068,689	—	6,554,477	—
General Obligation Bonds	12,795,000	4,262,240	915,000	16,142,240	1,147,910
Unamortized Premium	451,852	318,599	37,764	732,687	22,593
	<u>109,827,238</u>	<u>5,800,356</u>	<u>11,628,015</u>	<u>103,999,579</u>	<u>2,184,897</u>
Business-Type Activities					
Compensated Absences					
Net Pension Liability - IMRF	347,971	44,156	22,078	370,049	30,138
Total OPEB Liability - RBP	2,461,772	—	1,221,492	1,240,280	—
IEPA Loans Payable	120,860	3,014	—	123,874	—
General Obligation Bonds	2,135,333	—	120,055	2,015,278	123,874
Unamortized Premium	295,000	4,237,760	165,000	4,367,760	272,090
	—	316,769	15,084	301,685	15,084
	<u>5,360,936</u>	<u>4,284,930</u>	<u>1,528,625</u>	<u>8,117,241</u>	<u>426,102</u>
Component Unit - Public Library					
Compensated Absences					
Net Pension Liability - IMRF	80,971	3,191	6,382	77,780	15,556
Total OPEB Liability - RBP	2,961,370	—	1,594,651	1,366,719	—
	173,402	148,785	—	322,187	—
	<u>3,215,743</u>	<u>151,976</u>	<u>1,601,033</u>	<u>1,766,686</u>	<u>15,556</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities Activity - Continued

For the governmental activities, payments on the compensated absences, the net pension liabilities and the total OPEB liability are made by the General Fund and Health Insurance Fund. Payments on general obligation bonds are being liquidated by the Debt Service and the Fire Stations Funds. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

Additionally, for business-type activities, compensated absences, the net pension liability and the total OPEB liability are liquidated by the Utilities and Refuse Collection Funds, and general obligation bonds are being liquidated by the Utilities Fund. Payments on the IEPA loans payable are being made by the Utilities Fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities			
	General Obligation Bonds		IEPA Loans Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,147,910	614,403	123,874	41,770	272,090	173,085
2021	1,127,925	576,924	125,192	39,174	147,075	163,826
2022	1,190,446	539,744	127,842	36,524	154,554	157,944
2023	1,250,461	499,888	130,549	33,817	159,539	151,762
2024	557,982	457,020	133,315	31,051	167,018	145,380
2025	580,504	434,700	136,140	28,226	174,496	138,700
2026	600,518	411,480	139,025	25,341	179,482	131,720
2027	623,040	387,460	141,970	22,396	186,960	124,540
2028	650,562	362,538	144,979	19,387	194,438	117,062
2029	673,083	336,516	148,053	16,313	201,917	109,284
2030	703,112	309,592	151,191	13,175	211,888	101,208
2031	730,634	281,468	154,396	9,970	219,366	92,732
2032	758,155	252,242	157,671	6,695	226,845	83,958
2033	793,184	221,916	159,736	3,352	236,816	74,884
2034	823,213	190,188	41,345	399	246,787	65,412
2038	858,242	157,260	—	—	256,758	55,540
2036	888,270	122,930	—	—	266,730	45,270
2037	923,299	87,400	—	—	276,701	34,600
2038	960,835	50,468	—	—	289,165	23,532
2039	300,865	12,034	—	—	299,135	11,966
Totals	16,142,240	6,306,171	2,015,278	327,590	4,367,760	2,002,405

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2019:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 146,208,555
Plus:	
Unamortized Refunding Loss	101,187
Unspent Bond Proceeds	4,589,783
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2012	(2,700,000)
General Obligation Bonds of 2018	(9,180,000)
General Obligation Bonds of 2019	(4,262,240)
Premium on Debt Issuance	<u>(732,687)</u>
Net Investment in Capital Assets	<u><u>134,024,598</u></u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	19,160,447
Less Capital Related Debt:	
IEPA Loan Payable of 2012	(963,741)
IEPA Loan Payable of 2013	(1,051,537)
General Obligation Refunding Bonds of 2012	(130,000)
General Obligation Bonds of 2019	(4,237,760)
Premium on Debt Issuance	<u>(301,685)</u>
Net Investment in Capital Assets	<u><u>12,475,724</u></u>

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Special Revenue		Capital Projects			Nonmajor	Totals
		Motor Fuel Tax	Debt Service	Local Road	Fire Stations	TIF #4 Golf Road		
Fund Balances								
Nonspendable								
Prepays	\$ 26,883	—	—	—	—	—	50,657	77,540
Restricted								
Public Safety								
Police	—	—	—	—	—	—	1,508,390	1,508,390
Fire	—	—	—	—	—	—	72,154	72,154
Highways and Streets	—	367,755	—	—	—	—	—	367,755
Debt Service	—	—	17,515	—	—	—	—	17,515
	—	367,755	17,515	—	—	—	1,580,544	1,965,814
Committed								
Compensated Absences	1,400,000	—	—	—	—	—	—	1,400,000
Assigned								
Capital Projects	—	—	—	355,783	1,941,244	3,189	—	2,300,216
Unassigned	9,363,567	—	—	—	—	—	(1,157,011)	8,206,556
Total Fund Balances	10,790,450	367,755	17,515	355,783	1,941,244	3,189	474,190	13,950,126

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the City Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The City's policy manual states that the General Fund should maintain a minimum fund balance equal to 15% to 30% of operating expenditures. The 911 Fund should maintain a minimum fund balance equal to one to one and a half times the annual budgeted expenditures.

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the City's employees. These risks, along with medical claims for employees and retirees, are provided for through the City's participation in the Intergovernmental Risk Management Agency (IRMA) and the Intergovernmental Personnel Benefit Cooperative (IPBC). The City accounts for these activities in the Liability Insurance – Internal Service Fund and the Health Insurance – Internal Service Fund. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded coverage for any of the past three years.

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the City's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Intergovernmental Risk Management Agency (IRMA)

The City participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The City's payments to IRMA are displayed on the financial statements as expenses in the Liability Insurance Fund. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The City does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

CONTINGENT LIABILITIES

Litigation

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

Grants

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

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

CONTINGENT LIABILITIES - Continued

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The City's water purchase contract with the Northwest Suburban Municipal Joint Action Water Agency (JAWA) provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

Solid Waste Agency of Northern Cook County (SWANCC)

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

COMMITMENTS

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The City has committed to purchase water from the Northwest Suburban Municipal Joint Action Water Agency (JAWA). A new agreement, negotiated by the Member Communities and JAWA was approved on March 13, 2018. This Revised Water Supply Agreement will expire in FY 2032. The obligation to pay minimum annual amounts was removed from the new agreement.

Solid Waste Agency of Northern Cook County (SWANCC)

The City has committed to make payments to the Solid Waste Agency of Northern Cook County (SWANCC). The City expects to pay the following minimum amounts:

Fiscal Year	Amount
2020	<u>\$ 425,000</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES

Northwest Suburban Municipal Joint Action Water Agency (JAWA)

The City is a member of the Northwest Suburban Municipal Joint Action Water Agency (JAWA) which consists of seven municipalities. JAWA is a municipal corporation and public body politic and corporate established pursuant to the Intergovernmental Cooperation Act of the State of Illinois. JAWA is empowered to plan, construct, improve, extend, acquire, finance, operate and maintain a water supply system to serve its members and other potential water purchasers.

The seven members of JAWA and their percentage shares as of December 31, 2019 are as follows:

	Percent Share
Village of Elk Grove Village	12.44 %
Village of Hanover Park	10.93
Village of Hoffman Estates	16.28
Village of Mount Prospect	12.65
City of Rolling Meadows	6.71
Village of Schaumburg	27.40
Village of Streamwood	13.59
	<u>100.00 %</u>

These percentage shares are based upon formulae contained in the water supply agreement and are subject to change in future years based upon consumption by the municipalities.

The members form a contiguous geographic service area which is located 15 to 30 miles northwest of downtown Chicago. Under the Agency Agreement, additional members may join JAWA upon the approval of each member.

JAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each Director has an equal vote. The officers of JAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of JAWA, makes all appropriations, approves contracts for sale or purchase of water, provides for the issuance of debt, adopts bylaws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the bylaws.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 – OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Northwest Suburban Municipal Joint Action Water Agency (JAWA) - Continued

Complete financial statements can be obtained from the Northwest Suburban Municipal Joint Action Water Agency, 903 Brantwood Avenue, Elk Grove Village, Illinois 60007.

Revenues of the system consist of: (a) all receipts derived from Water Supply Agreements or any other contract for the supply of water; (b) all income derived from the investment of monies; and (c) all income, fees, water service charges, and all rates, rents and receipts derived by JAWA from the ownership and operation of the system and the sale of water. JAWA covenants to establish fees and charges sufficient to provide revenues to meet all its requirements.

JAWA has entered into Water Supply Agreements with the seven-member municipalities for a term of 40 years, extending to December 31, 2022. The Agreements are irrevocable and may not be terminated or amended except as provided in the General Resolution. Each member is obligated, on a “take or pay” basis, to purchase or in any event to pay for a minimum annual quantity of water.

JAWA has entered into an agreement with the City of Chicago under which the City has agreed to sell quantities of lake water sufficient to supply the projected water needs of JAWA through the year 2020.

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

The payments required to be made by the City under this Agreement shall be required to be made solely from revenues to be derived by the City from the operation of the Water System. Members are not prohibited by the Agreement, however, from using other available funds to make payments under the Agreement. This Agreement shall not constitute an indebtedness of the City within the meaning of any statutory or constitutional limitation.

The obligation of the City to make payments required by this Agreement from revenues of the Water System shall be payable from the operation and maintenance account of the Water Fund.

In accordance with the joint venture agreement, the City remitted \$3,749,742 to JAWA for the year ended December 31, 2019. All payments were paid from the Utilities Fund. Deposits with JAWA in the amount of \$730,799 represent amounts held for security of debt service.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 – OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Solid Waste Agency of Northern Cook County (SWANCC)

The City is a member of the Solid Waste Agency of Northern Cook County (SWANCC) which consists of twenty-three municipalities. SWANCC is a municipal joint action agency, established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWANCC is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members. SWANCC is reported as a nonequity proprietary joint venture.

SWANCC is governed by a Board of Directors which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWANCC are appointed by the Board of Directors. The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or by-laws. Separate audited financial statements are available from SWANCC's administrative office at 77 W Hintz Road, Suite 200, Wheeling, Illinois 60090.

The City's contract with SWANCC provides that each member is liable for its proportionate share of annual operating and fixed costs. The City's share of these costs is expected to be funded through tipping fees paid by refuse haulers. In addition, the City is obligated for any costs arising from defaults in payment obligations by other members.

In accordance with the joint venture agreement, the City remitted \$407,302 to SWANCC for the year ended December 31, 2019, which is recorded in the City's Refuse Collection Fund.

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is also a single-employer pension plan. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The Police and Firefighters' Pension Plans also issue separate reports that may be obtained by writing the City at 3600 Kirchoff Road, Rolling Meadows, Illinois 60008.. The benefits, benefit levels, employee contributions and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 – OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

The aggregate amounts recognized for the pension plans is:

	Expenses	Net Pension Liabilities	Deferred Outflows	Deferred Inflows
IMRF				
City	\$ 1,764,231	5,343,880	991,611	(2,539,172)
Library	314,170	1,366,719	253,607	(649,404)
Police Pension	2,398,385	33,519,594	6,285,248	(5,869,531)
Firefighters' Pension	4,522,181	39,447,638	6,099,803	(4,161,449)
	<u>8,998,967</u>	<u>79,677,831</u>	<u>13,630,269</u>	<u>(13,219,556)</u>

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	184
Inactive Plan Members Entitled to but not yet Receiving Benefits	88
Active Plan Members	<u>110</u>
Total	<u><u>382</u></u>

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2019, the City's contribution was 13.79% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

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

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments 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 the pension liability/(asset) of the City calculated using the discount rate as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City	\$ 12,354,397	5,343,880	(489,219)
Library	3,159,688	1,366,719	(125,120)
Net Pension Liability/(Asset)	15,514,085	6,710,599	(614,339)

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability

	City	Library	Totals
Total Pension Liability			
Service Cost	\$ 628,864	160,835	789,699
Interest	4,337,682	867,146	5,204,828
Differences Between Expected and Actual Experience	98,770	25,261	124,031
Change of Assumptions	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(3,351,549)	(857,172)	(4,208,721)
Net Change in Total Pension Liability	1,713,767	196,070	1,909,837
Total Pension Liability - Beginning	57,052,486	16,447,754	73,500,240
Total Pension Liability - Ending	<u>58,766,253</u>	<u>16,643,824</u>	<u>75,410,077</u>
Plan Fiduciary Net Position			
Contributions - Employer	887,672	227,026	1,114,698
Contributions - Members	289,724	74,098	363,822
Net Investment Income	9,239,915	2,363,146	11,603,061
Benefit Payments, Including Refunds of Member Contributions	(3,351,549)	(857,172)	(4,208,721)
Other (Net Transfer)	(64,035)	(16,377)	(80,412)
Net Change in Plan Fiduciary Net	7,001,727	1,790,721	8,792,448
Plan Net Position - Beginning	46,420,646	13,486,384	59,907,030
Plan Net Position - Ending	<u>53,422,373</u>	<u>15,277,105</u>	<u>68,699,478</u>
Employer's Net Pension Liability	<u>5,343,880</u>	<u>1,366,719</u>	<u>6,710,599</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$1,764,231 and the Library recognized pension expense of \$314,170. At December 31, 2019, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	City		Library		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 526,281	—	134,597	—	660,878
Change in Assumptions	465,330	(22,530)	119,010	(5,763)	556,047
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,516,642)	—	(643,641)	(3,160,283)
Total Deferred Amounts Related to IMRF	<u>991,611</u>	<u>(2,539,172)</u>	<u>253,607</u>	<u>(649,404)</u>	<u>(1,943,358)</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	City	Library	Totals
2020	\$ 194,964	49,863	244,827
2021	(759,996)	(194,372)	(954,368)
2022	189,942	48,579	238,521
2023	(1,172,471)	(299,867)	(1,472,338)
2024	—	—	—
Thereafter	—	—	—
Totals	<u>(1,547,561)</u>	<u>(395,797)</u>	<u>(1,943,358)</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	52
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>50</u>
Total	<u><u>105</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the City's contribution was 75.26% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
Vanguard Developed MKTS Index	\$ 4,166,642
Vanguard Institutional Index Fund	10,797,779
Vanguard Institutional Income	4,304,635

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% - 13.61
Cost of Living	2.25%
Inflation	2.25%

Mortality rates was based on the RP 2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017. The other non-economic actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2017.

Discount Rate

The discount rate used to measure the total pension liability 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability \$	45,721,772	33,519,594	23,627,703

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 78,810,824	41,946,583	36,864,241
Changes for the Year:			
Service Cost	1,097,117	—	1,097,117
Interest on the Total Pension Liability	5,381,873	—	5,381,873
Changes of Benefit Terms	469,226	—	469,226
Difference Between Expected and Actual Experience of the Total Pension	624,605	—	624,605
Changes of Assumptions	1,171,048	—	1,171,048
Contributions - Employer	—	3,910,789	(3,910,789)
Contributions - Employees	—	566,608	(566,608)
Net Investment Income	—	7,675,033	(7,675,033)
Benefit Payments, Including Refunds of Employee Contributions	(3,853,858)	(3,853,858)	—
Other (Net Transfer)	—	(63,914)	63,914
Net Changes	4,890,011	8,234,658	(3,344,647)
Balances at December 31, 2019	83,700,835	50,181,241	33,519,594

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$2,398,385. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 585,436	(2,526,031)	(1,940,595)
Change in Assumptions	5,699,812	(1,637,007)	4,062,805
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(1,706,493)	(1,706,493)
Total Deferred Amounts Related to Police Pension	<u>6,285,248</u>	<u>(5,869,531)</u>	<u>415,717</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (623,306)
2021	(300,444)
2022	553,472
2023	(252,808)
2024	642,368
Thereafter	<u>396,435</u>
Total	<u>415,717</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2019, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	49
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>44</u>
Total	<u><u>95</u></u>

Benefits Provided. The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3percent compounded annually thereafter.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2019, the City's contribution was 83.99% of covered payroll.

Concentrations. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	3.75% -13.61%
Cost of Living Adjustments	2.25%
Inflation	2.25%

Mortality rates follow the sex distinct raw rates as developed in the PubS-2010(A) study. Mortality improvement uses MP-2019 improvement rates applied on a fully generational basis.

Discount Rate

The discount rate used to measure the total pension liability 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 the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive 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 as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 50,848,418	39,447,638	30,152,628

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 75,825,024	33,406,967	42,418,057
Changes for the Year:			
Service Cost	1,159,904	—	1,159,904
Interest on the Total Pension Liability	5,168,179	—	5,168,179
Changes of Benefit Terms	432,145	—	432,145
Difference Between Expected and Actual Experience of the Total Pension	1,003,648	—	1,003,648
Changes of Assumptions	994,082	—	994,082
Contributions - Employer	—	4,210,983	(4,210,983)
Contributions - Employees	—	469,435	(469,435)
Net Investment Income	—	7,119,367	(7,119,367)
Benefit Payments, Including Refunds of Employee Contributions	(3,987,774)	(3,987,774)	—
Other (Net Transfer)	—	(71,408)	71,408
Net Changes	4,770,184	7,740,603	(2,970,419)
Balances at December 31, 2019	80,595,208	41,147,570	39,447,638

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

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

For the year ended December 31, 2019, the City recognized pension expense of \$4,522,181. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,404,757	(54,072)	1,350,685
Change in Assumptions	4,695,046	(1,649,656)	3,045,390
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,457,721)	(2,457,721)
Total Deferred Amounts Related to Firefighters' Pension	<u>6,099,803</u>	<u>(4,161,449)</u>	<u>1,938,354</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 408,087
2021	(292,329)
2022	445,325
2023	(145,052)
2024	910,990
Thereafter	<u>611,333</u>
Total	<u>1,938,354</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City’s defined benefit OPEB plan, City of Rolling Meadows Retiree Benefit Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms provide for payment of 55 percent of health insurance premiums for non-Medicare-eligible retirees and 55 percent of supplemental health insurance premiums for Medicare-eligible retirees. The plan also provides all retirees with \$5,000 of life insurance benefits.

Plan Membership. As of December 31, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	60
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>201</u>
Total	<u><u>261</u></u>

The plan membership as noted above includes both the City and the Library members.

Total OPEB Liability

The City’s total OPEB liability was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF ROLLING MEADOWS, ILLINOIS

**Notes to the Financial Statements
December 31, 2019**

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial assumptions and other inputs - Continued.

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	3.26%
Healthcare Cost Trend Rates	8.4% for 2019, decreasing to an ultimate rate of 4.50%
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2019.

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with adjustments to match current IMRF experience.

Change in the Total OPEB Liability

	City	Library	Totals
Balance at December 31, 2018	\$ 5,606,648	173,402	5,780,050
Changes for the Year:			
Service Cost	179,663	8,668	188,331
Interest on the Total OPEB Liability	104,891	102,142	207,033
Changes of Benefit Terms	722,899	34,875	757,774
Difference Between Expected and Actual Experience	333,566	16,092	349,658
Changes of Assumptions or Other Inputs	(380,931)	(18,377)	(399,308)
Benefit Payments	111,615	5,385	117,000
Net Changes	1,071,703	148,785	1,220,488
Balance at December 31, 2019	6,678,351	322,187	7,000,538

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.26%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
City	\$ 7,394,293	6,678,351	6,075,310
Library	356,727	322,187	293,094
Total OPEB Liability	<u>7,751,020</u>	<u>7,000,538</u>	<u>6,368,404</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
City	\$ 5,967,506	6,678,351	7,542,657
Library	287,893	322,187	363,884
Total OPEB Liability	<u>6,255,399</u>	<u>7,000,538</u>	<u>7,906,541</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$137,355 and the Library recognized OPEB expense of \$107,675. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	City		Library		Totals
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Difference Between Expected and Actual Experience	\$ 633,097	—	30,543	—	663,640
Change in Assumptions	585,643	(401,823)	28,253	(19,385)	192,688
Net Difference Between Projected and Actual Earnings	—	—	—	—	—
Total Deferred Amounts Related to OPEB	<u>1,218,740</u>	<u>(401,823)</u>	<u>58,796</u>	<u>(19,385)</u>	<u>856,328</u>

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

Fiscal Year	Net Deferred Outflows/(Inflows) of Resources		
	City	Library	Totals
2020	\$ 125,897	6,074	131,971
2021	125,897	6,074	131,971
2022	125,897	6,074	131,971
2023	125,897	6,074	131,971
2024	125,897	6,074	131,971
Thereafter	187,432	9,041	196,473
Totals	<u>816,917</u>	<u>39,411</u>	<u>856,328</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Notes to the Financial Statements

December 31, 2019

NOTE 4 - OTHER INFORMATION - Continued

SUBSEQUENT EVENT

Subsequent to the date of the financial statements and prior to the audit opinion date, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the City's operations and financial position cannot be determined.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- Budgetary Comparison Schedules
 - General Fund
 - Motor Fuel Tax - Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF ROLLING MEADOWS, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Employer Contributions
December 31, 2019**

Calendar Year		Actuarially Determined Contribution	Contributions in Relation to the Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions a Percentage Covered
2015	Totals	\$ 1,131,864	\$ 1,131,864	\$ —	\$ 7,316,510	15.47%
2016	Totals	1,200,910	1,201,445	535	7,376,594	16.29%
2017	Totals	1,159,896	1,159,896	—	7,546,491	15.37%
2018	Totals	1,212,876	1,212,876	—	8,085,842	15.00%
2019	City	801,569	887,672	86,103	6,438,303	13.79%
	Library	205,004	227,026	22,022	1,646,622	13.79%
	Totals	<u>1,006,573</u>	<u>1,114,698</u>	<u>108,125</u>	<u>8,084,925</u>	<u>13.79%</u>

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROLLING MEADOWS, ILLINOIS

**Police Pension Fund
Schedule of Employer Contributions
December 31, 2019**

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 2,478,905	\$ 2,483,648	\$ 4,743	\$ 4,604,542	53.94%
2015	2,507,804	2,547,497	39,693	4,628,740	55.04%
2016	2,805,767	3,104,921	299,154	4,741,621	65.48%
2017	3,219,336	3,607,352	388,016	4,942,478	72.99%
2018	3,198,022	3,480,637	282,615	5,103,111	68.21%
2019	3,200,509	3,910,789	710,280	5,196,556	75.26%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	16 Years
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	3.50%
Investment Rate of Return	7.00%
Retirement Age	50-70
Mortality	RP 2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROLLING MEADOWS, ILLINOIS

**Firefighters' Pension Fund
Schedule of Employer Contributions
December 31, 2019**

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 2,662,914	\$ 2,678,449	\$ 15,535	\$ 4,053,549	66.08%
2015	2,706,989	2,755,511	48,522	4,139,289	66.57%
2016	2,977,769	3,245,390	267,621	4,095,760	79.24%
2017	3,540,137	4,080,981	540,844	4,338,255	94.07%
2018	3,497,572	3,788,593	291,021	4,479,252	84.58%
2019	3,635,708	3,910,789	275,081	4,656,367	83.99%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	16 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.50% - 12.50%
Investment Rate of Return	7.00%
Retirement Age	Independent actuary 2016 IL Firefighters Retirement Rates, capped at 65
Mortality	RP-2014 Mortality Table (BCHA) projected to 2018 using improvement scale MP-2017

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROLLING MEADOWS, ILLINOIS

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	12/31/15 <u>Total</u>
Total Pension Liability	
Service Cost	\$ 754,337
Interest	4,704,433
Changes in Benefit Terms	
Differences Between Expected and Actual Experience	(964,158)
Change of Assumptions	150,883
Benefit Payments, Including Refunds of Member Contributions	<u>(3,115,648)</u>
Net Change in Total Pension Liability	1,529,847
Total Pension Liability - Beginning	<u>64,074,148</u>
 Total Pension Liability - Ending	 <u><u>65,603,995</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,131,864
Contributions - Members	338,251
Net Investment Income	279,814
Benefit Payments, Including Refunds of Member Contributions	(3,115,648)
Other (Net Transfer)	<u>(492,750)</u>
Net Change in Plan Fiduciary Net Position	(1,858,469)
Plan Net Position - Beginning	<u>56,785,526</u>
 Plan Net Position - Ending	 <u><u>54,927,057</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 10,676,938</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 83.73%
 Covered Payroll	 \$ 7,316,510
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 145.93%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19		
Total	Total	Total	City	Library	Totals
764,608	769,374	732,079	628,864	160,835	789,699
4,796,080	4,959,320	4,968,572	4,337,682	867,146	5,204,828
70,604	79,030	1,906,001	98,770	25,261	124,031
(305,973)	(1,952,922)	1,926,418	—	—	—
(3,391,363)	(3,596,746)	(3,828,837)	(3,351,549)	(857,172)	(4,208,721)
1,933,956	258,056	5,704,233	1,713,767	196,070	1,909,837
65,603,995	67,537,951	67,796,007	57,052,486	16,447,754	73,500,240
67,537,951	67,796,007	73,500,240	58,766,253	16,643,824	75,410,077
1,201,445	1,159,896	1,212,876	887,672	227,026	1,114,698
348,298	346,110	366,259	289,724	74,098	363,822
3,774,049	10,348,710	(3,749,148)	9,239,915	2,363,146	11,603,061
(3,391,363)	(3,596,746)	(3,828,837)	(3,351,549)	(857,172)	(4,208,721)
702,941	(1,339,459)	1,424,942	(64,035)	(16,377)	(80,412)
2,635,370	6,918,511	(4,573,908)	7,001,727	1,790,721	8,792,448
54,927,057	57,562,427	64,480,938	46,420,646	13,486,384	59,907,030
57,562,427	64,480,938	59,907,030	53,422,373	15,277,105	68,699,478
9,975,524	3,315,069	13,593,210	5,343,880	1,366,719	6,710,599
85.23%	95.11%	81.51%	90.91%	91.79%	91.10%
7,376,594	7,546,491	8,085,842	6,438,303	1,646,622	8,084,925
135.23%	43.93%	168.11%	83.00%	83.00%	83.00%

CITY OF ROLLING MEADOWS, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2019

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 1,149,125
Interest	4,230,819
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(599,310)
Change of Assumptions	3,979,187
Benefit Payments, Including Refunds of Member Contributions	<u>(2,632,396)</u>
Net Change in Total Pension Liability	6,127,425
Total Pension Liability - Beginning	<u>61,756,473</u>
 Total Pension Liability - Ending	 <u><u>67,883,898</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,483,648
Contributions - Members	507,162
Net Investment Income	1,579,499
Benefit Payments, Including Refunds of Member Contributions	<u>(2,632,396)</u>
Administrative Expenses	<u>(55,519)</u>
Net Change in Plan Fiduciary Net Position	1,882,394
Plan Net Position - Beginning	<u>33,007,286</u>
 Plan Net Position - Ending	 <u><u>34,889,680</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 32,994,218</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 51.40%
 Covered Payroll	 \$ 4,604,542
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 716.56%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
1,139,586	1,171,229	1,168,217	1,079,503	1,097,117
4,649,406	5,082,602	5,135,650	5,152,332	5,381,873
—	—	—	—	469,226
(1,820,391)	181,793	(192,715)	(2,201,325)	624,605
5,292,677	(2,389,766)	(2,442,434)	2,926,844	1,171,048
(2,927,628)	(3,217,902)	(3,358,167)	(3,502,585)	(3,853,858)
6,333,650	827,956	310,551	3,454,769	4,890,011
67,883,898	74,217,548	75,045,504	75,356,055	78,810,824
74,217,548	75,045,504	75,356,055	78,810,824	83,700,835
2,547,497	3,104,921	3,607,352	3,480,637	3,910,789
469,521	472,132	482,643	505,917	566,608
142,603	2,381,161	5,047,122	(1,949,568)	7,675,033
(2,927,628)	(3,217,902)	(3,358,167)	(3,502,585)	(3,853,858)
(54,640)	(57,478)	(59,187)	(57,448)	(63,914)
177,353	2,682,834	5,719,763	(1,523,047)	8,234,658
34,889,680	35,067,033	37,749,867	43,469,630	41,946,583
35,067,033	37,749,867	43,469,630	41,946,583	50,181,241
39,150,515	37,295,637	31,886,425	36,864,241	33,519,594
47.25%	50.30%	57.69%	53.22%	59.95%
4,628,740	4,741,621	4,942,478	5,103,111	5,196,556
845.81%	786.56%	645.15%	722.39%	645.03%

CITY OF ROLLING MEADOWS, ILLINOIS

**Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2019**

	<u>12/31/14</u>
Total Pension Liability	
Service Cost	\$ 1,229,937
Interest	3,784,080
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	237,138
Change of Assumptions	2,782,790
Benefit Payments, Including Refunds of Member Contributions	<u>(3,020,345)</u>
Net Change in Total Pension Liability	5,013,600
Total Pension Liability - Beginning	<u>55,568,457</u>
 Total Pension Liability - Ending	 <u><u>60,582,057</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,678,449
Contributions - Members	391,581
Net Investment Income	1,389,103
Benefit Payments, Including Refunds of Member Contributions	<u>(3,020,345)</u>
Administrative Expenses	<u>(41,149)</u>
Net Change in Plan Fiduciary Net Position	1,397,639
Plan Net Position - Beginning	<u>25,224,467</u>
 Plan Net Position - Ending	 <u><u>26,622,106</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 33,959,951</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 43.94%
 Covered Payroll	 \$ 4,053,549
 Employer's Net Pension Liability as a Percentage of Covered Payroll	 837.78%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
1,204,872	1,291,068	1,212,059	1,073,974	1,159,904
4,130,260	4,626,392	4,663,118	4,704,541	5,168,179
—	—	—	—	432,145
(354,477)	347,104	15,822	577,218	1,003,648
5,331,911	(2,345,758)	(1,683,291)	4,129,948	994,082
(3,156,692)	(3,293,238)	(3,495,079)	(3,736,785)	(3,987,774)
7,155,874	625,568	712,629	6,748,896	4,770,184
60,582,057	67,737,931	68,363,499	69,076,128	75,825,024
67,737,931	68,363,499	69,076,128	75,825,024	80,595,208
2,755,511	3,245,390	4,080,981	3,788,593	4,210,983
397,740	407,278	417,337	421,856	469,435
221,351	2,011,769	4,243,937	(1,310,139)	7,119,367
(3,156,692)	(3,293,238)	(3,495,079)	(3,736,785)	(3,987,774)
(43,840)	(40,939)	(56,824)	(73,346)	(71,408)
174,070	2,330,260	5,190,352	(909,821)	7,740,603
26,622,106	26,796,176	29,126,436	34,316,788	33,406,967
26,796,176	29,126,436	34,316,788	33,406,967	41,147,570
40,941,755	39,237,063	34,759,340	42,418,057	39,447,638
39.56%	42.61%	49.68%	44.06%	51.05%
4,139,289	4,095,760	4,338,255	4,563,723	4,656,367
989.10%	957.99%	801.23%	929.46%	847.18%

CITY OF ROLLING MEADOWS, ILLINOIS

**Police Pension Fund
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	5.67%
2015	0.68%
2016	6.81%
2017	13.41%
2018	(4.43%)
2019	18.26%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROLLING MEADOWS, ILLINOIS

**Firefighters' Pension Fund
Schedule of Investment Returns
December 31, 2019**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	4.75%
2015	0.86%
2016	7.80%
2017	15.05%
2018	(3.98%)
2019	20.65%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF ROLLING MEADOWS, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2019

	12/31/18		12/31/19	
	Totals	City	Library	Totals
Total OPEB Liability				
Service Cost	\$ 351,060	179,663	8,668	188,331
Interest	192,306	104,891	102,142	207,033
Changes in Benefit Terms	—	722,899	34,875	757,774
Differences Between Expected and Actual				
Experience	5,305	333,566	16,092	349,658
Change of Assumptions or Other Inputs	(268,381)	(380,931)	(18,377)	(399,308)
Benefit Payments	(264,586)	111,615	5,385	117,000
Net Change in Total OPEB Liability	15,704	1,071,703	148,785	1,220,488
Total OPEB Liability - Beginning	5,764,346	5,606,648	173,402	5,780,050
Total OPEB Liability - Ending	5,780,050	6,678,351	322,187	7,000,538
Covered Payroll	\$ 16,395,718	16,532,563	511,316	17,043,879
Total OPEB Liability as a Percentage of Covered Payroll	35.25%	40.40%	63.01%	41.07%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Term. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

Fiscal Year	HMO	PPO
2020	5.00%	6.50%
2021	4.96%	6.36%
2022	4.93%	6.21%
2023	4.89%	6.07%
2024	4.86%	5.93%
2025	4.82%	5.79%
2026	4.79%	5.64%
2027	4.75%	5.50%
2028	4.71%	5.36%
2029	4.68%	5.21%
2030	4.64%	5.07%
2031	4.61%	4.93%
2032	4.57%	4.79%
2033	4.54%	4.64%
2034	4.50%	4.50%
Ultimate	4.50%	4.50%

In 2019, there was no change in the healthcare trend rates from the prior year.

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2019**

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Taxes	\$ 24,017,002	24,017,002	23,496,094
Intergovernmental	3,297,250	3,297,250	3,740,024
Licenses and Permits	1,091,220	1,091,220	1,280,705
Charges for Services	3,301,035	3,301,035	3,329,586
Fines and Forfeitures	1,287,000	1,287,000	1,114,728
Interest	70,000	70,000	408,821
Miscellaneous	425,343	425,343	452,528
Total Revenues	<u>33,488,850</u>	<u>33,488,850</u>	<u>33,822,486</u>
Expenditures			
General Government	3,164,914	3,164,914	2,976,876
Public Safety	24,862,290	25,862,290	25,619,719
Public Works	3,852,017	3,852,017	4,086,068
Health/Welfare and Culture	10,120	10,120	13,526
Economic Development	63,500	63,500	40,299
Total Expenditures	<u>31,952,841</u>	<u>32,952,841</u>	<u>32,736,488</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,536,009</u>	<u>536,009</u>	<u>1,085,998</u>
Other Financing Sources (Uses)			
Transfers In	200,000	200,000	200,000
Transfers Out	(788,075)	(888,075)	(1,609,934)
	<u>(588,075)</u>	<u>(688,075)</u>	<u>(1,409,934)</u>
Net Change In Fund Balance	<u>947,934</u>	<u>(152,066)</u>	<u>(323,936)</u>
Fund Balance - Beginning			<u>11,114,386</u>
Fund Balance - Ending			<u>10,790,450</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 625,000	625,000	790,589
Interest	2,500	2,500	8,167
Total Revenues	627,500	627,500	798,756
Expenditures			
Capital Outlay	600,000	600,000	592,275
Net Change in Fund Balance	27,500	27,500	206,481
Fund Balance - Beginning			161,274
Fund Balance - Ending			367,755

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds
- Combining Statements - Internal Service Funds
- Budgetary Comparison Schedules - Internal Service Funds
- Combining Statements - Pension Trust Funds
- Consolidated Year-End Financial Report

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

MAJOR SPECIAL REVENUE FUND

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for allotments of motor fuel taxes from the State of Illinois made on a per capita basis. The City uses these funds to maintain and construct transportation-related community needs, such as streets, bridges, and traffic signals.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

MAJOR CAPITAL PROJECTS FUNDS

Local Road Fund

The Local Road Fund is used to account for street improvements, including resurfacing, curb and gutter, sidewalks and bike paths.

Fire Stations Fund

The Fire Stations Fund is used to account for the purchase of property for two fire stations, demolition of existing structures, engineering and design costs, regulatory and permitting costs, construction and legal costs, as well as acquisition and installation of furniture, fixtures and equipment costs related to two fire stations.

TIF #4 Golf Road Fund

The TIF #4 Golf Road Fund is used to account for the redevelopment of the property located primarily in the Meadows Corporate Center area along the Golf Road corridor (2850 Golf Road). The large commercial insurance broker Arthur J. Gallagher Insurance set up its headquarters - moving from Itasca to Rolling Meadows to redevelop this area. The City approved the Golf Road Tax Increment Financing District with a shortened TIF term of 15 years to help finance the redevelopment costs of the area.

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
Taxes			
Property Taxes			
Prior Years' Taxes	\$ —	—	(34,027)
Current Levy	5,587,002	5,587,002	5,641,683
Police Pension	3,400,000	3,400,000	3,410,789
Fire Pension	3,700,000	3,700,000	3,710,983
Municipal Sales Tax	3,600,000	3,600,000	3,508,828
Home Rule Sales Tax	2,600,000	2,600,000	2,584,137
Simplified Telecommunications Tax	1,300,000	1,300,000	1,090,862
Electric Utility Tax	1,300,000	1,300,000	1,173,873
Hotel Tax	300,000	300,000	327,709
Food and Beverage Tax	1,400,000	1,400,000	1,447,335
Real Estate Transfer Tax	500,000	500,000	327,913
Cable Franchise Fees	330,000	330,000	306,009
Total Taxes	24,017,002	24,017,002	23,496,094
Intergovernmental			
State Income Tax	2,300,000	2,300,000	2,585,667
Local Use Tax	610,000	610,000	813,140
Replacement Tax	204,000	204,000	224,814
Video Gaming	125,000	125,000	70,927
Other Grants	58,250	58,250	45,476
Total Intergovernmental	3,297,250	3,297,250	3,740,024
Licenses and Permits			
Business Licenses	260,000	260,000	237,254
Liquor Licenses	150,000	150,000	166,850
Video Gaming Licenses	29,720	29,720	57,090
Other Licenses	1,000	1,000	100
Building Permits	550,000	550,000	704,167
Rental Unit Permits	88,000	88,000	98,975
Other Permits	12,500	12,500	16,269
Total Licenses and Permits	1,091,220	1,091,220	1,280,705

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual Amounts
	Original	Final	
Charges for Services			
Police Special Details	\$ 30,000	30,000	54,243
School Liaison Charges	193,000	193,000	241,770
Ambulance Fees	710,000	710,000	856,977
Overhead Charges			
Garage	226,000	226,000	226,000
E911	51,500	51,500	51,500
TIF #2	56,253	56,253	56,253
TIF #4	54,636	54,636	54,636
Refuse	422,300	422,300	422,300
Utilities	750,000	750,000	750,000
Library	45,046	45,046	45,046
Other Inspection Fees	124,300	124,300	81,132
Other Charges for Services	638,000	638,000	489,729
Total Charges for Services	<u>3,301,035</u>	<u>3,301,035</u>	<u>3,329,586</u>
Fines and Forfeitures			
Circuit Court Fines	60,000	60,000	38,015
Traffic and Compliance Fines	125,000	125,000	57,732
DUI Fines	10,000	10,000	6,460
Red Light Enforcement Fines	975,000	975,000	872,028
Adjudication	25,000	25,000	48,573
Other Fines	92,000	92,000	91,920
Total Fines and Forfeitures	<u>1,287,000</u>	<u>1,287,000</u>	<u>1,114,728</u>
Interest	<u>70,000</u>	<u>70,000</u>	<u>408,821</u>
Miscellaneous			
Rental Income	332,000	332,000	314,086
Other	93,343	93,343	138,442
Total Miscellaneous	<u>425,343</u>	<u>425,343</u>	<u>452,528</u>
Total Revenues	<u><u>33,488,850</u></u>	<u><u>33,488,850</u></u>	<u><u>33,822,486</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
General Government			
Administration			
Mayor			
Salaries and Wages	\$ 9,950	9,950	9,950
Benefits	761	761	761
Contracted Services	2,900	2,900	420
Supplies	450	450	144
Total Mayor	14,061	14,061	11,275
City Council			
Salaries and Wages	28,001	28,001	27,001
Benefits	2,142	2,142	2,066
Contracted Services	85,500	85,500	55,589
Supplies	1,100	1,100	570
Total City Council	116,743	116,743	85,226
City Manager			
Salaries and Wages	510,656	510,656	533,173
Benefits	198,568	198,568	207,081
Contracted Services	79,050	79,050	40,449
Supplies	13,000	13,000	2,114
Total City Manager	801,274	801,274	782,817
City Clerk			
Salaries and Wages	83,767	83,767	72,392
Benefits	27,829	27,829	25,208
Contracted Services	15,800	15,800	7,938
Supplies	4,000	4,000	2,828
Total City Clerk	131,396	131,396	108,366
Public Relations			
Contracted Services	84,500	84,500	67,945
Supplies	2,500	2,500	379
Total Public Relations	87,000	87,000	68,324

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
General Government - Continued			
Administration - Continued			
Video Production			
Salaries and Wages	\$ 5,000	5,000	—
Benefits	382	382	—
Contracted Services	17,000	17,000	14,994
Supplies	2,200	2,200	—
Total Video Production	24,582	24,582	14,994
Adjudication			
Contracted Services	75,000	75,000	34,121
Supplies	1,500	1,500	—
Total Adjudication	76,500	76,500	34,121
Community Events			
Contracted Services	4,450	4,450	3,788
Supplies	119,000	119,000	123,349
Total Community Events	123,450	123,450	127,137
Finance			
Salaries and Wages	344,565	344,565	347,318
Benefits	122,491	122,491	122,065
Contracted Services	55,550	55,550	41,874
Supplies	1,550	1,550	1,461
Total Finance	524,156	524,156	512,718
Administrative Services			
Legal Contracted Services	349,435	349,435	383,156
Engineering Contracted Services	28,000	28,000	25,000
Police Special Detail			
Salaries and Wages	50,000	50,000	68,220
Benefits	—	—	99,992
Other Contracted Services	234,700	234,700	170,264
Other Supplies	9,500	9,500	7,792
Total Administrative Services	671,635	671,635	754,424

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
General Government - Continued			
Administration - Continued			
Information Technology			
Salaries and Wages	\$ 318,811	318,811	258,239
Benefits	93,181	93,181	85,849
Contracted Services	151,100	151,100	106,586
Supplies	29,500	29,500	25,733
Total Information Technology	592,592	592,592	476,407
Total Administration	3,163,389	3,163,389	2,975,809
Community Development			
Plan Commission			
Contracted Services	1,525	1,525	1,067
Total General Government	3,164,914	3,164,914	2,976,876
Public Safety			
Police Department			
Administration			
Salaries and Wages	514,975	514,975	511,357
Benefits	145,334	145,334	136,031
Employer Pension Contribution	3,400,000	3,900,000	3,910,789
Contracted Services	779,010	779,010	760,344
Supplies and Materials	193,515	193,515	99,795
Total Administration	5,032,834	5,532,834	5,418,316
Patrol			
Salaries and Wages	5,060,744	5,060,744	5,110,271
Benefits	1,096,464	1,096,464	1,074,705
Contracted Services	160,260	160,260	99,997
Supplies	76,375	76,375	76,590
Total Patrol	6,393,843	6,393,843	6,361,563

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Investigation			
Salaries and Wages	\$ 1,039,530	1,039,530	1,029,493
Benefits	213,231	213,231	212,880
Contracted Services	29,670	29,670	14,758
Supplies and Materials	7,850	7,850	3,944
Total Investigation	1,290,281	1,290,281	1,261,075
Total Police Department	12,716,958	13,216,958	13,040,954
Fire Department			
Administration			
Salaries and Wages	391,676	391,676	408,170
Benefits	90,455	90,455	90,147
Employer Pension Contribution	3,700,000	4,200,000	4,210,983
Contracted Services	1,089,705	1,089,705	1,087,803
Supplies and Materials	2,650	2,650	2,064
Total Administration	5,274,486	5,774,486	5,799,167
Fire Operations			
Salaries and Wages	5,317,307	5,317,307	5,265,261
Benefits	1,144,071	1,144,071	1,163,816
Contracted Services	157,495	157,495	100,718
Supplies and Materials	133,010	133,010	124,631
Total Fire Operations	6,751,883	6,751,883	6,654,426
Special Rescue Teams			
Salaries and Wages	40,000	40,000	95,456
Benefits	—	—	12
Contracted Services	25,093	25,093	16,876
Supplies and Materials	12,650	12,650	3,651
Total Special Rescue Teams	77,743	77,743	115,995
Total Fire Department	12,104,112	12,604,112	12,569,588

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
Public Safety - Continued			
Board of Police and Fire Commission			
Salaries and Wages	\$ 3,000	3,000	—
Contracted Services	37,450	37,450	9,093
Supplies and Materials	770	770	84
Total Board of Police and Fire Commission	<u>41,220</u>	<u>41,220</u>	<u>9,177</u>
Total Public Safety	<u>24,862,290</u>	<u>25,862,290</u>	<u>25,619,719</u>
Public Works			
Administration			
Salaries and Wages	751,129	751,129	756,185
Benefits	259,021	259,021	274,118
Contracted Services	275,750	275,750	263,654
Supplies and Materials	9,220	9,220	5,963
Total Administration	<u>1,295,120</u>	<u>1,295,120</u>	<u>1,299,920</u>
Community Development			
Administration			
Salaries and Wages	635,183	635,183	676,835
Benefits	270,556	270,556	276,446
Contracted Services	344,060	344,060	476,279
Supplies and Materials	6,450	6,450	8,610
Total Community Development	<u>1,256,249</u>	<u>1,256,249</u>	<u>1,438,170</u>
Forestry Program			
Salaries and Wages	798,972	798,972	849,198
Benefits	408,051	408,051	409,331
Contracted Services	81,075	81,075	82,754
Supplies and Materials	12,550	12,550	6,695
Total Forestry Program	<u>1,300,648</u>	<u>1,300,648</u>	<u>1,347,978</u>
Total Public Works	<u>3,852,017</u>	<u>3,852,017</u>	<u>4,086,068</u>

CITY OF ROLLING MEADOWS, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
Health/Welfare and Culture			
Museum			
Contracted Services	\$ 4,220	4,220	2,981
ESDA			
Supplies and Materials	1,500	1,500	131
Safety Committee			
Supplies and Materials	1,400	1,400	9,731
Employee Wellness			
Contracted Services	1,000	1,000	155
Supplies and Materials	1,000	1,000	374
Total Employee Wellness	2,000	2,000	529
Urban Affairs			
Supplies	1,000	1,000	154
Total Health/Welfare and Culture	10,120	10,120	13,526
Economic Development			
Community Development			
Contracted Services	60,500	60,500	40,299
Supplies and Materials	3,000	3,000	—
Total Economic Development	63,500	63,500	40,299
Total Expenditures	31,952,841	32,952,841	32,736,488

CITY OF ROLLING MEADOWS, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Amounts
	Original	Final	
Revenues	\$ —	—	—
Expenditures			
Debt Service			
Principal Retirement	595,000	595,000	595,000
Interest and Fiscal Charges	93,575	93,575	93,554
Total Expenditures	688,575	688,575	688,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	(688,575)	(688,575)	(688,554)
Other Financing Sources (Uses)			
Transfers In	688,075	688,075	688,075
Transfers Out	(20,000)	(20,000)	(25,000)
	668,075	668,075	663,075
Net Change in Fund Balance	(20,500)	(20,500)	(25,479)
Fund Balance - Beginning			42,994
Fund Balance - Ending			17,515

CITY OF ROLLING MEADOWS, ILLINOIS

Local Road - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,220,000	1,220,000	1,220,573
Natural Gas Tax	500,000	500,000	595,966
Intergovernmental	1,885,000	1,885,000	450,675
Interest	2,500	2,500	22,196
Miscellaneous	350,000	350,000	21,637
Total Revenues	<u>3,957,500</u>	<u>3,957,500</u>	<u>2,311,047</u>
Expenditures			
Highways and Streets			
Contracted Services	844,700	844,700	849,090
Supplies			
Operating Supplies	211,800	211,800	269,351
Repairs and Maintenance Supplies	21,000	21,000	17,225
Capital Outlay			
Street Improvements	3,350,000	3,350,000	2,431,890
Total Expenditures	<u>4,427,500</u>	<u>4,427,500</u>	<u>3,567,556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(470,000)	(470,000)	(1,256,509)
Other Financing Sources			
Transfers In	—	1,060,000	1,060,000
Net Change in Fund Balance	<u>(470,000)</u>	<u>590,000</u>	(196,509)
Fund Balance - Beginning			<u>552,292</u>
Fund Balance - Ending			<u><u>355,783</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Fire Stations - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Amounts
	Original	Final	
Revenues			
Interest	\$ —	—	252,993
Expenditures			
Public Safety			
Contracted Services	—	—	21,894
Capital Outlay	5,886,357	5,886,357	9,407,106
Debt Service			
Principal Retirement	—	320,000	320,000
Interest and Fiscal Charges	—	500,151	554,802
Total Expenditures	5,886,357	6,706,508	10,303,802
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,886,357)	(6,706,508)	(10,050,809)
Other Financing Sources (Uses)			
Debt Issuance	—	—	4,262,240
Premium on Debt Issuance	—	—	318,599
Transfers In	—	—	821,859
Transfers Out	—	—	(2,120,000)
	—	—	3,282,698
Net Change in Fund Balance	(5,886,357)	(6,706,508)	(6,768,111)
Fund Balance - Beginning			8,709,355
Fund Balance - Ending			1,941,244

CITY OF ROLLING MEADOWS, ILLINOIS

TIF #4 Golf Road - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 3,000,000	3,000,000	3,622,731
Interest	250	250	1,329
Total Revenues	<u>3,000,250</u>	<u>3,000,250</u>	<u>3,624,060</u>
Expenditures			
Economic Development			
Contracted Services	<u>5,875,518</u>	<u>5,875,518</u>	<u>6,705,351</u>
Net Change in Fund Balance	<u>(2,875,268)</u>	<u>(2,875,268)</u>	(3,081,291)
Fund Balance - Beginning			<u>3,084,480</u>
Fund Balance - Ending			<u><u>3,189</u></u>

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ROLLING MEADOWS, ILLINOIS

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2019**

	Special Revenue	Capital Projects <u>TIF #2</u> Kirchoff/Owl	Totals
ASSETS			
Cash and Investments	\$ 1,607,992	—	1,607,992
Receivables - Net of Allowances			
Property Taxes	700,518	816	701,334
Accounts	1,264	—	1,264
Prepays	50,657	—	50,657
Total Assets	2,360,431	816	2,361,247
LIABILITES			
Accounts Payable	29,230	—	29,230
Due to Other Funds	—	1,157,827	1,157,827
Total Liabilities	29,230	1,157,827	1,187,057
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	700,000	—	700,000
Total Liabilities and Deferred Inflows of Resources	729,230	1,157,827	1,887,057
FUND BALANCES			
Nonspendable	50,657	—	50,657
Restricted	1,580,544	—	1,580,544
Unassigned	—	(1,157,011)	(1,157,011)
Total Fund Balances	1,631,201	(1,157,011)	474,190
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,360,431	816	2,361,247

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2019

	Special Revenue	Capital Projects TIF #2 Kirchoff/Owl	Totals
Revenues			
Taxes	\$ 745,363	249,129	994,492
Fines and Forfeitures	69,051	—	69,051
Interest	1,977	41	2,018
Total Revenues	<u>816,391</u>	<u>249,170</u>	<u>1,065,561</u>
Expenditures			
Public Safety	779,755	—	779,755
Economic Development	—	56,503	56,503
Total Expenditures	<u>779,755</u>	<u>56,503</u>	<u>836,258</u>
Net Change in Fund Balances	36,636	192,667	229,303
Fund Balances - Beginning	<u>1,594,565</u>	<u>(1,349,678)</u>	<u>244,887</u>
Fund Balances - Ending	<u><u>1,631,201</u></u>	<u><u>(1,157,011)</u></u>	<u><u>474,190</u></u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

911 Emergency Telephone Fund

The 911 Emergency Telephone Fund is used to account for the operation of the emergency telephone communication system. Financing is provided by local and state surcharges and property taxes.

Foreign Fire Tax Fund

The Foreign Fire Tax Fund is used to account for the receipt and disbursement of funds collected as foreign fire tax.

Asset Seizure Fund

The Asset Seizure Fund is used to account for the receipts and disbursements incurred as a result of the City's asset seizure program pursuant to Federal and State drug seizure laws.

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

December 31, 2019

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
ASSETS				
Cash and Investments	\$ 1,322,261	75,814	209,917	1,607,992
Receivables - Net of Allowances				
Property Taxes	700,518	—	—	700,518
Accounts	—	1,264	—	1,264
Prepays	50,657	—	—	50,657
	<hr/>			
Total Assets	2,073,436	77,078	209,917	2,360,431
<hr/>				
LIABILITIES				
Accounts Payable	24,306	4,924	—	29,230
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	700,000	—	—	700,000
Total Liabilities and Deferred Inflows of Resources	724,306	4,924	—	729,230
<hr/>				
FUND BALANCES				
Nonspendable	50,657	—	—	50,657
Restricted	1,298,473	72,154	209,917	1,580,544
Total Fund Balances	1,349,130	72,154	209,917	1,631,201
<hr/>				
Total Liabilities, Deferred Inflows of Resources and Fund Balances	2,073,436	77,078	209,917	2,360,431
<hr/>				

CITY OF ROLLING MEADOWS, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

December 31, 2019

	911 Emergency Telephone	Foreign Fire Tax	Asset Seizure	Totals
Revenues				
Taxes	\$ 706,712	38,651	—	745,363
Fines and Forfeitures	—	—	69,051	69,051
Interest	740	—	1,237	1,977
Total Revenues	<u>707,452</u>	<u>38,651</u>	<u>70,288</u>	<u>816,391</u>
Expenditures				
Public Safety	<u>656,176</u>	<u>37,000</u>	<u>86,579</u>	<u>779,755</u>
Net Change in Fund Balances	51,276	1,651	(16,291)	36,636
Fund Balances - Beginning	<u>1,297,854</u>	<u>70,503</u>	<u>226,208</u>	<u>1,594,565</u>
Fund Balances - Ending	<u><u>1,349,130</u></u>	<u><u>72,154</u></u>	<u><u>209,917</u></u>	<u><u>1,631,201</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

911 Emergency Telephone - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 700,000	700,000	706,712
Interest	500	500	740
Total Revenues	<u>700,500</u>	<u>700,500</u>	<u>707,452</u>
Expenditures			
Public Safety			
Contracted Services	769,000	769,000	655,878
Supplies	2,500	2,500	298
Capital Outlay	353,000	353,000	—
Total Expenditures	<u>1,124,500</u>	<u>1,124,500</u>	<u>656,176</u>
Net Change in Fund Balance	<u>(424,000)</u>	<u>(424,000)</u>	51,276
Fund Balance - Beginning			<u>1,297,854</u>
Fund Balance - Ending			<u><u>1,349,130</u></u>

NONMAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by proprietary funds.

TIF #2 Kirchoff/Owl Fund

The TIF #2 Kirchoff/Owl Fund is used to account for the purchase of property and construction of a mixed-use development along Kirchoff Road. The plan includes condominium homes, senior housing, and office/retail space.

CITY OF ROLLING MEADOWS, ILLINOIS

TIF #2 Kirchoff/Owl - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 300,000	300,000	249,129
Interest	100	100	41
Total Revenues	300,100	300,100	249,170
Expenditures			
Economic Development			
Contracted Services	58,253	58,253	56,503
Net Change in Fund Balance	241,847	241,847	192,667
Fund Balance - Beginning			(1,349,678)
Fund Balance - Ending			(1,157,011)

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Utilities Fund

The Utilities Fund is used to account for all resources collected and used to provide water and sanitary services to the City as well as to account for the resources collected to finance storm water runoff and creek bank improvements. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration of billings and collections, operations, and maintenance of the system.

Refuse Collection Fund

The Refuse Collection Fund is used to account for all the resources collected and used to provide waste collection and disposal services to the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration of billings and collections, operations, and maintenance of the waste collection vehicles.

CITY OF ROLLING MEADOWS, ILLINOIS

Utilities - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budgeted Amounts		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 12,134,683	12,134,683	11,467,271
Miscellaneous	86,000	86,000	130,100
Total Operating Revenues	<u>12,220,683</u>	<u>12,220,683</u>	<u>11,597,371</u>
Operating Expenses			
Administration	1,344,194	1,344,194	1,336,331
Public Works	750,000	750,000	750,000
Operations	10,866,084	10,866,084	6,594,764
Depreciation	—	—	894,791
Total Operating Expenses	<u>12,960,278</u>	<u>12,960,278</u>	<u>9,575,886</u>
Operating Income (Loss)	<u>(739,595)</u>	<u>(739,595)</u>	<u>2,021,485</u>
Nonoperating Revenues (Expenses)			
Interest Income	25,000	25,000	185,935
Interest Expense	(355,982)	(413,917)	(239,251)
	<u>(330,982)</u>	<u>(388,917)</u>	<u>(53,316)</u>
Change in Net Position	<u>(1,070,577)</u>	<u>(1,128,512)</u>	1,968,169
Net Position - Beginning			<u>18,454,136</u>
Net Position - Ending			<u><u>20,422,305</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Utilities - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Administration			
Salaries and Wages	\$ 213,067	213,067	216,586
Benefits	82,942	82,942	81,542
IMRF Pension Expense	—	—	20,293
Contracted Services	1,047,685	1,047,685	1,017,910
Supplies	500	500	—
Total Administration	1,344,194	1,344,194	1,336,331
Public Works			
Contracted Services	750,000	750,000	750,000
Operations			
Water			
Salaries and Wages	715,474	715,474	636,304
Benefits	233,151	233,151	230,734
IMRF Pension Expense	—	—	59,818
Contracted Services	438,500	438,500	505,109
Supplies	176,100	176,100	185,982
Lake Michigan Water	4,500,000	4,500,000	3,749,742
Machinery & Equipment	1,625,000	1,625,000	31,789
Total Water	7,688,225	7,688,225	5,399,478
Sewer			
Salaries and Wages	517,186	517,186	445,584
Benefits	233,339	233,339	194,243
IMRF Pension Expense	—	—	40,292
Contracted Services	142,600	142,600	61,634
Supplies	81,150	81,150	46,976
Machinery & Equipment	1,045,000	1,045,000	32,271
Total Sewer	2,019,275	2,019,275	821,000

CITY OF ROLLING MEADOWS, ILLINOIS

Utilities - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operations - Continued			
Stormwater			
Salaries and Wages	\$ 120,801	120,801	76,035
Benefits	59,508	59,508	36,223
IMRF Pension Expense	—	—	6,803
OPEB Expense	—	—	(12,812)
Contracted Services	229,000	229,000	137,029
Supplies	39,275	39,275	24,827
Machinery & Equipment	710,000	710,000	106,181
Total Stormwater	1,158,584	1,158,584	374,286
Total Operations	10,866,084	10,866,084	6,594,764
Depreciation and Amortization	—	—	894,791
Total Operating Expenses	12,960,278	12,960,278	9,575,886

CITY OF ROLLING MEADOWS, ILLINOIS

Refuse Collection - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,164,924	2,164,924	2,146,461
Miscellaneous	25,500	25,500	27,362
Total Operating Revenues	<u>2,190,424</u>	<u>2,190,424</u>	<u>2,173,823</u>
Operating Expenses			
Administration	1,005,200	1,005,200	987,895
Operations	1,224,904	1,224,904	1,295,559
Depreciation	—	—	4,645
Total Operating Expenses	<u>2,230,104</u>	<u>2,230,104</u>	<u>2,288,099</u>
Operating (Loss)	(39,680)	(39,680)	(114,276)
Nonoperating Revenues			
Interest Income	1,500	1,500	4,196
Change in Net Position	<u>(38,180)</u>	<u>(38,180)</u>	(110,080)
Net Position - Beginning			<u>838,113</u>
Net Position - Ending			<u><u>728,033</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Refuse Collection - Enterprise Fund

Scheduling of Operating Expenses - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Administration			
Contracted Services	\$ 1,005,200	1,005,200	987,895
Operations			
Salaries and Wages	287,208	287,208	255,957
Benefits	110,546	110,546	119,508
IMRF Pension Expense	—	—	79,525
OPEB Expense	—	—	(4,264)
Contracted Services	815,300	815,300	838,484
Supplies	11,850	11,850	6,349
Total Operations	1,224,904	1,224,904	1,295,559
Depreciation	—	—	4,645
Total Operating Expenses	2,230,104	2,230,104	2,288,099

INTERNAL SERVICE FUNDS

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

Municipal Garage Fund

The Municipal Garage Fund is used to account for the resources collected from other City departments used to provide maintenance to City vehicles and major equipment/machinery.

Vehicle Replacement Fund

The Vehicle Replacement Fund is used to account for the resources collected from other City departments used in replacing City vehicles and major equipment.

Buildings and Land Fund

The Buildings and Land Fund is used to account for the resources collected from other City departments used for the purchase of land or buildings, or the remodeling, renovation, and expansion of current buildings.

Liability Insurance Fund

The Liability Insurance Fund is used to account for the resources collected from other City departments used to manage funding of the property/casualty/workers compensation claims.

Health Insurance Fund

The Health Insurance Fund is used to account for resources collected from other City departments to fund the City's portion of health insurance premiums as well as those of retired employees.

CITY OF ROLLING MEADOWS, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

December 31, 2019

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

**Internal Service Funds
Combining Statement of Net Position
December 31, 2019**

	<u>Municipal Garage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 1,370,295
Receivables - Net of Allowances - Accounts	10,594
Prepays	—
Total Current Assets	<u>1,380,889</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	—
Depreciable	9,247
Accumulated Depreciation	<u>(9,247)</u>
Total Capital Assets	<u>—</u>
Total Assets	<u>1,380,889</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	61,098
Accrued Payroll	10,703
Deposits Payable	—
Compensated Absences Payable	<u>57,844</u>
Total Current Liabilities	129,645
Noncurrent Liabilities	
Compensated Absences Payable	<u>66,214</u>
Total Liabilities	<u>195,859</u>
NET POSITION	
Investment in Capital Assets	—
Unrestricted	<u>1,185,030</u>
Total Net Position	<u><u>1,185,030</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,391,305	1,504,281	1,340,225	1,842,506	7,448,612
—	74,638	—	—	85,232
42,627	—	1,812,660	3,922,681	5,777,968
1,433,932	1,578,919	3,152,885	5,765,187	13,311,812
1,567,494	631,525	—	—	2,199,019
23,176,219	4,933,896	—	—	28,119,362
(14,722,115)	(2,801,316)	—	—	(17,532,678)
10,021,598	2,764,105	—	—	12,785,703
11,455,530	4,343,024	3,152,885	5,765,187	26,097,515
91,084	147,003	36,846	228,223	564,254
—	—	—	—	10,703
—	—	—	27,170	27,170
—	—	—	—	57,844
91,084	147,003	36,846	255,393	659,971
—	—	—	—	66,214
91,084	147,003	36,846	255,393	726,185
10,021,598	2,764,105	—	—	12,785,703
1,342,848	1,431,916	3,116,039	5,509,794	12,585,627
11,364,446	4,196,021	3,116,039	5,509,794	25,371,330

CITY OF ROLLING MEADOWS, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended December 31, 2019

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	\$ 1,551,509
Miscellaneous	484
Total Operating Revenues	<u>1,551,993</u>
Operating Expenses	
Administration	1,396,058
Public Safety	—
Public Works	—
Depreciation and Amortization	—
Total Operating Expenses	<u>1,396,058</u>
Operating Income	<u>155,935</u>
Nonoperating Revenues	
Disposal of Capital Assets	—
Interest Income	1,210
	<u>1,210</u>
Income Before Transfers	<u>157,145</u>
Transfers In	—
Transfers Out	—
	<u>—</u>
Change in Net Position	157,145
Net Position - Beginning	<u>1,027,885</u>
Net Position - Ending	<u><u>1,185,030</u></u>

Vehicle Replacemen	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,507,900	644,529	830,997	3,154,184	7,689,119
—	18,500	382,605	1,533,705	1,935,294
1,507,900	663,029	1,213,602	4,687,889	9,624,413
—	—	816,353	4,084,394	6,296,805
259,227	—	—	—	259,227
—	424,977	—	—	424,977
818,258	208,737	—	—	1,026,995
1,077,485	633,714	816,353	4,084,394	8,008,004
430,415	29,315	397,249	603,495	1,616,409
37,184	—	—	—	37,184
430	22,173	518	4,145	28,476
37,614	22,173	518	4,145	65,660
468,029	51,488	397,767	607,640	1,682,069
125,000	1,310,000	—	—	1,435,000
—	—	(300,000)	(150,000)	(450,000)
125,000	1,310,000	(300,000)	(150,000)	985,000
593,029	1,361,488	97,767	457,640	2,667,069
10,771,417	2,834,533	3,018,272	5,052,154	22,704,261
11,364,446	4,196,021	3,116,039	5,509,794	25,371,330

CITY OF ROLLING MEADOWS, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2019

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Interfund Services Provided	\$ 1,558,929
Payments to Suppliers	(1,044,507)
Payments to Employees	(376,781)
	<u>137,641</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	—
Transfers Out	—
	<u>—</u>
Cash Flows from Capital and Related Financing Activities	
Disposal of Capital Assets	—
Purchase of Capital Assets	—
	<u>—</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,210</u>
Net Change in Cash and Cash Equivalents	138,851
Cash and Cash Equivalents - Beginning	<u>1,231,444</u>
Cash and Cash Equivalents - Ending	<u><u>1,370,295</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	155,935
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in)	
Operating Activities	
Depreciation and Amortization	—
(Increase) Decrease in Current Assets	6,936
Increase (Decrease) in Current Liabilities	(25,230)
	<u>137,641</u>
Net Cash Provided by Operating Activities	<u><u>137,641</u></u>

Vehicle Replacement	Buildings and Land	Liability Insurance	Health Insurance	Totals
1,465,273	625,171	1,008,752	4,343,595	9,001,720
(821,694)	(370,112)	(790,331)	(4,049,471)	(7,076,115)
—	—	—	—	(376,781)
643,579	255,059	218,421	294,124	1,548,824
125,000	1,310,000	—	—	1,435,000
—	—	(300,000)	(150,000)	(450,000)
125,000	1,310,000	(300,000)	(150,000)	985,000
37,185	—	—	—	37,185
(1,127,779)	(463,591)	—	—	(1,591,370)
(1,090,594)	(463,591)	—	—	(1,554,185)
430	22,173	518	4,145	28,476
(321,585)	1,123,641	(81,061)	148,269	1,008,115
1,712,890	380,640	1,421,286	1,694,237	6,440,497
1,391,305	1,504,281	1,340,225	1,842,506	7,448,612
430,415	29,315	397,249	603,495	1,616,409
818,258	208,737	—	—	1,026,995
(42,627)	(37,858)	(204,850)	(344,294)	(622,693)
(562,467)	54,865	26,022	34,923	(471,887)
643,579	255,059	218,421	294,124	1,548,824

CITY OF ROLLING MEADOWS, ILLINOIS

Municipal Garage - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,552,650	1,552,650	1,551,509
Miscellaneous	5,500	5,500	484
Total Operating Revenues	<u>1,558,150</u>	<u>1,558,150</u>	<u>1,551,993</u>
Operating Expenses			
Administration			
Motor Pool			
Salaries and Wages	371,960	371,960	376,781
Benefits	156,564	156,564	161,066
Contracted Services	531,750	531,750	481,659
Supplies	487,800	487,800	376,552
Total Operating Expenses	<u>1,548,074</u>	<u>1,548,074</u>	<u>1,396,058</u>
Operating Income	10,076	10,076	155,935
Nonoperating Revenues			
Interest Income	<u>1,000</u>	<u>1,000</u>	<u>1,210</u>
Change in Net Position	<u>11,076</u>	<u>11,076</u>	157,145
Net Position - Beginning			<u>1,027,885</u>
Net Position - Ending			<u><u>1,185,030</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Vehicle Replacement - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,507,900	1,507,900	1,507,900
Operating Expenses			
Public Safety	2,440,000	2,440,000	259,227
Depreciation and Amortization	—	—	818,258
Total Operating Expenses	2,440,000	2,440,000	1,077,485
Operating Income (Loss)	(932,100)	(932,100)	430,415
Nonoperating Revenues			
Disposal of Capital Assets	10,000	10,000	37,184
Interest Income	250	250	430
	10,250	10,250	37,614
Income (Loss) before Transfers	(921,850)	(921,850)	468,029
Transfer In	125,000	125,000	125,000
Change in Net Position	(796,850)	(796,850)	593,029
Net Position - Beginning			10,771,417
Net Position - Ending			11,364,446

CITY OF ROLLING MEADOWS, ILLINOIS

Buildings and Land - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 571,550	571,550	644,529
Miscellaneous	0	0	18,500
Total Operating Revenues	<u>571,550</u>	<u>571,550</u>	<u>663,029</u>
Operating Expenses			
Public Works	1,397,900	1,400,803	424,977
Depreciation	—	—	208,737
Total Operating Expenses	<u>1,397,900</u>	<u>1,400,803</u>	<u>633,714</u>
Operating Income (Loss)	(826,350)	(829,253)	29,315
Nonoperating Revenues			
Interest Income	<u>200</u>	<u>200</u>	<u>22,173</u>
Income (Loss) before Transfers	(826,150)	(829,053)	51,488
Transfers In	<u>250,000</u>	<u>1,310,000</u>	<u>1,310,000</u>
Change in Net Position	<u>(576,150)</u>	<u>480,947</u>	<u>1,361,488</u>
Net Position - Beginning			<u>2,834,533</u>
Net Position - Ending			<u><u>4,196,021</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Liability Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 830,997	830,997	830,997
Miscellaneous			
Insurance Rebate	80,000	80,000	67,555
Other	—	—	315,050
Total Operating Revenues	<u>910,997</u>	<u>910,997</u>	<u>1,213,602</u>
Operating Expenses			
Administration			
Liability Insurance	750,000	750,000	777,950
Unemployment	5,000	5,000	—
Reimbursable Repairs	40,000	40,000	38,403
Total Operating Expenses	<u>795,000</u>	<u>795,000</u>	<u>816,353</u>
Operating Income	115,997	115,997	397,249
Nonoperating Revenues			
Interest Income	100	100	518
Income before Transfers	116,097	116,097	397,767
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(300,000)</u>
Change in Net Position	<u>(133,903)</u>	<u>(133,903)</u>	97,767
Net Position - Beginning			<u>3,018,272</u>
Net Position - Ending			<u><u>3,116,039</u></u>

CITY OF ROLLING MEADOWS, ILLINOIS

Health Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2019

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 3,428,933	3,428,933	3,154,184
Miscellaneous			
Employee Contributions	411,030	411,030	412,588
Retiree Contributions	800,241	800,241	780,665
Other	(25,000)	(25,000)	340,452
Total Operating Revenues	<u>4,615,204</u>	<u>4,615,204</u>	<u>4,687,889</u>
Operating Expenses			
Administration			
Group Health			
PPO White	642,734	642,734	540,493
PPO Blue	478,040	478,040	588,781
HMO	1,387,205	1,387,205	1,211,013
Retirees	513,714	513,714	530,072
PSEBA	26,330	26,330	39,413
PPO Purple	51,184	51,184	112,551
HMO Orange	37,191	37,191	31,981
Dental Insurance			
PPO	80,195	80,195	82,471
Retirees	14,172	14,172	17,009
HMO	47,622	47,622	42,444
Life Insurance	23,580	23,580	20,611
Medical Waivers	1,451	1,451	1,276
Retiree Medicare Reimbursements	230,000	230,000	253,244
Retiree Payouts	600,000	600,000	580,176
Retiree Taxes	45,900	45,900	9,787
Retiree IMRF	74,700	74,700	17,618
Other	8,000	8,000	5,454
Total Operating Expenses	<u>4,262,018</u>	<u>4,262,018</u>	<u>4,084,394</u>
Operating Income	353,186	353,186	603,495
Nonoperating Revenues			
Interest Income	1,000	1,000	4,145
Income Before Transfers	354,186	354,186	607,640
Transfer Out	(150,000)	(150,000)	(150,000)
Change in Net Position	<u>204,186</u>	<u>204,186</u>	457,640
Net Position - Beginning			<u>5,052,154</u>
Net Position - Ending			<u><u>5,509,794</u></u>

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

CITY OF ROLLING MEADOWS, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2019

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 163,078	1,817,250	1,980,328
Investments			
U.S. Government Obligations	5,980,444	6,190,855	12,171,299
U.S. Agency Obligations	739,492	797,968	1,537,460
Corporate Bonds	7,500,169	5,360,512	12,860,681
Mutual Funds	26,237,829	24,795,840	51,033,669
Common Stock	4,894,155	—	4,894,155
Insurance Contracts	2,412,695	2,075,398	4,488,093
Certificates of Deposits	2,170,643	—	2,170,643
Receivables - Net of Allowance			
Accrued Interest	110,731	115,138	225,869
Prepays	2,336	804	3,140
Total Assets	50,211,572	41,153,765	91,365,337
LIABILITIES			
Accounts Payable	25,371	775	26,146
Due to Other Funds	4,960	5,420	10,380
Total Liabilities	30,331	6,195	36,526
NET POSITION			
Net Position Restricted for Pensions	50,181,241	41,147,570	91,328,811

CITY OF ROLLING MEADOWS, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2019

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 3,910,789	4,210,983	8,121,772
Contributions - Plan Members	566,608	469,435	1,036,043
Total Contributions	<u>4,477,397</u>	<u>4,680,418</u>	<u>9,157,815</u>
Investment Earnings			
Interest Earned	1,222,314	1,217,259	2,439,573
Net Change in Fair Value	6,562,474	5,957,225	12,519,699
	<u>7,784,788</u>	<u>7,174,484</u>	<u>14,959,272</u>
Less Investment Expenses	(109,755)	(55,117)	(164,872)
Net Investment Income	<u>7,675,033</u>	<u>7,119,367</u>	<u>14,794,400</u>
Total Additions	<u>12,152,430</u>	<u>11,799,785</u>	<u>23,952,215</u>
Deductions			
Administration	63,914	71,408	135,322
Benefits and Refunds	3,853,858	3,987,774	7,841,632
Total Deductions	<u>3,917,772</u>	<u>4,059,182</u>	<u>7,976,954</u>
Change in Fiduciary Net Position	8,234,658	7,740,603	15,975,261
Net Position Restricted for Pensions			
Beginning	<u>41,946,583</u>	<u>33,406,967</u>	<u>75,353,550</u>
Ending	<u>50,181,241</u>	<u>41,147,570</u>	<u>91,328,811</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2019**

CSFA #	Program Name	State	Federal	Other	Total
494-00-1000	Itep	\$ —	—	73,981	73,981
494-00-1005	Local Federal Bridge Program	—	44,960	11,240	56,200
494-00-1488	Motor Fuel Tax	612,047	—	—	612,047
494-10-0343	STEP Grant	17,924	—	—	17,924
494-42-0495	Local Surface Transportation Program	—	106,209	358,373	464,582
	Other Grant Programs and Activities	—	105,550	8,031	113,581
	All Other Costs Not Allocated	—	—	53,725,811	53,725,811
		<u>629,971</u>	<u>256,719</u>	<u>54,177,436</u>	<u>55,064,126</u>



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

June 9, 2020

The Honorable City Mayor
Members of the City Council
City of Rolling Meadows, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rolling Meadows, Illinois, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 9, 2020. Our report includes a reference to other auditors who audited the financial statements of Rolling Meadows Public Library, a discretely component unit or the Police Pension Trust Fund, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

CITY OF ROLLING MEADOWS, ILLINOIS

**Long-Term Debt Requirements
General Obligation Refunding Bonds of 2012
December 31, 2019**

Date of Issue	May 8, 2012
Date of Maturity	January 1, 2024
Authorized Issue	\$9,690,000
Denomination of Bonds	\$5,000
Interest Rate	2.00% - 3.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired by	Debt Service and Utilities
Purpose of Debt	Refunded Debt for Access Road from Golf Road to Algonquin Road, Storm Water System Improvements, and Redevelopment Costs - Meadows Town Mall and Meijer Store

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2019	\$ 805,000	80,288	885,288	2020	40,144	2021	40,144
2020	635,000	58,150	693,150	2021	29,075	2022	29,075
2021	675,000	40,688	715,688	2022	20,344	2023	20,344
2022	715,000	21,450	736,450	2023	10,725	2024	10,725
	<u>2,830,000</u>	<u>200,576</u>	<u>3,030,576</u>		<u>100,288</u>		<u>100,288</u>
	2,700,000	Governmental Activities					
	<u>130,000</u>	Business-Type Activities					
	<u>2,830,000</u>						

CITY OF ROLLING MEADOWS, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2018
December 31, 2019**

Date of Issue	December 18, 2018
Date of Maturity	December 15, 2038
Authorized Issue	\$9,500,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired by	Fire Stations
Purpose of Debt	Construction of Two Fire Stations, Land Acquisition, Demolition of Existing Structures, Engineering and Design Costs and the Acquisition of Furniture, Fixtures and Equipment

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2019	\$ 330,000	367,200	697,200	2020	183,600	2020	183,600
2020	345,000	354,000	699,000	2021	177,000	2021	177,000
2021	360,000	340,200	700,200	2022	170,100	2022	170,100
2022	375,000	325,800	700,800	2023	162,900	2023	162,900
2023	390,000	310,800	700,800	2024	155,400	2024	155,400
2024	405,000	295,200	700,200	2025	147,600	2025	147,600
2025	420,000	279,000	699,000	2026	139,500	2026	139,500
2026	435,000	262,200	697,200	2027	131,100	2027	131,100
2027	455,000	244,800	699,800	2028	122,400	2028	122,400
2028	470,000	226,600	696,600	2029	113,300	2029	113,300
2029	490,000	207,800	697,800	2030	103,900	2030	103,900
2030	510,000	188,200	698,200	2031	94,100	2031	94,100
2031	530,000	167,800	697,800	2032	83,900	2032	83,900
2032	555,000	146,600	701,600	2033	73,300	2033	73,300
2033	575,000	124,400	699,400	2034	62,200	2034	62,200
2034	600,000	101,400	701,400	2035	50,700	2035	50,700
2035	620,000	77,400	697,400	2036	38,700	2036	38,700
2036	645,000	52,600	697,600	2037	26,300	2037	26,300
2037	670,000	26,800	696,800	2038	13,400	2038	13,400
	<u>9,180,000</u>	<u>4,098,800</u>	<u>13,278,800</u>		<u>2,049,400</u>		<u>2,049,400</u>

CITY OF ROLLING MEADOWS, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2019
December 31, 2019**

Date of Issue	March 21, 2019
Date of Maturity	December 31, 2039
Authorized Issue	\$8,500,000
Denomination of Bonds	\$5,000
Interest Rate	4.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago
Fund Debt Retired by	Debt Service and Utilities
Purpose of Debt	Construction of Two Fire Stations, Land Acquisition, Demolition of Existing Structures, Engineering and Design Costs and the Acquisition of Furniture, Fixtures and Equipment and Underground Utilities (Watermains)

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2019	\$ 285,000	340,000	625,000	2020	170,000	2020	170,000
2020	295,000	328,600	623,600	2021	164,300	2021	164,300
2021	310,000	316,800	626,800	2022	158,400	2022	158,400
2022	320,000	304,400	624,400	2023	152,200	2023	152,200
2023	335,000	291,600	626,600	2024	145,800	2024	145,800
2024	350,000	278,200	628,200	2025	139,100	2025	139,100
2025	360,000	264,200	624,200	2026	132,100	2026	132,100
2026	375,000	249,800	624,800	2027	124,900	2027	124,900
2027	390,000	234,800	624,800	2028	117,400	2028	117,400
2028	405,000	219,200	624,200	2029	109,600	2029	109,600
2029	425,000	203,000	628,000	2030	101,500	2030	101,500
2030	440,000	186,000	626,000	2031	93,000	2031	93,000
2031	455,000	168,400	623,400	2032	84,200	2032	84,200
2032	475,000	150,200	625,200	2033	75,100	2033	75,100
2033	495,000	131,200	626,200	2034	65,600	2034	65,600
2034	515,000	111,400	626,400	2035	55,700	2035	55,700
2035	535,000	90,800	625,800	2036	45,400	2036	45,400
2036	555,000	69,400	624,400	2037	34,700	2037	34,700
2037	580,000	47,200	627,200	2038	23,600	2038	23,600
2038	600,000	24,000	624,000	2039	12,000	2039	12,000
	<u>8,500,000</u>	<u>4,009,200</u>	<u>12,509,200</u>		<u>2,004,600</u>		<u>2,004,600</u>
	4,262,240	Governmental Activities					
	<u>4,237,760</u>	Business-Type Activities					
	<u>8,500,000</u>						

CITY OF ROLLING MEADOWS, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency (L17-4070) Loan Payable of 2012

December 31, 2019

Date of Issue	December 13, 2012
Date of Maturity	September 15, 2033
Authorized Issue	\$1,265,744
Interest Rate	2.295%
Interest Dates	March 15 and September 15
Principal Maturity Date	September 15
Payable at	Illinois Environmental Protection Agency
Fund Debt Retired by	Utilities
Purpose of Debt	Drinking Water Project

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due On			
	Principal	Interest	Totals	Mar. 15	Amount	Sept. 15	Amount
2019	\$ 60,377	21,781	82,158	2020	11,059	2020	10,722
2020	60,463	20,417	80,880	2021	10,381	2021	10,036
2021	61,859	19,021	80,880	2022	9,687	2022	9,334
2022	63,286	17,594	80,880	2023	8,977	2023	8,617
2023	64,747	16,133	80,880	2024	8,251	2024	7,882
2024	66,242	14,638	80,880	2025	7,508	2025	7,130
2025	67,771	13,109	80,880	2026	6,748	2026	6,361
2026	69,335	11,545	80,880	2027	5,970	2027	5,575
2027	70,935	9,945	80,880	2028	5,175	2028	4,770
2028	72,573	8,307	80,880	2029	4,361	2029	3,946
2029	74,248	6,632	80,880	2030	3,528	2030	3,104
2030	75,961	4,919	80,880	2031	2,676	2031	2,243
2031	77,715	3,165	80,880	2032	1,804	2032	1,361
2032	78,229	1,373	79,602	2033	912	2033	461
	<u>963,741</u>	<u>168,579</u>	<u>1,132,320</u>		<u>87,037</u>		<u>81,542</u>

CITY OF ROLLING MEADOWS, ILLINOIS

Long-Term Debt Requirements

Illinois Environmental Protection Agency (L17-4141) Loan Payable of 2013

December 31, 2019

Date of Issue	October 18, 2013
Date of Maturity	May 1, 2034
Authorized Issue	\$1,365,863
Interest Rate	1.930%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	Illinois Environmental Protection Agency
Fund Debt Retired by	Utilities
Purpose of Debt	Wastewater Project

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due On			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2019	\$ 63,497	19,989	83,486	2020	10,147	2020	9,842
2020	64,729	18,757	83,486	2021	9,535	2021	9,222
2021	65,983	17,503	83,486	2022	8,910	2022	8,593
2022	67,263	16,223	83,486	2023	8,273	2023	7,950
2023	68,568	14,918	83,486	2024	7,624	2024	7,294
2024	69,898	13,588	83,486	2025	6,962	2025	6,626
2025	71,254	12,232	83,486	2026	6,288	2026	5,944
2026	72,635	10,851	83,486	2027	5,600	2027	5,251
2027	74,044	9,442	83,486	2028	4,899	2028	4,543
2028	75,480	8,006	83,486	2029	4,185	2029	3,821
2029	76,943	6,543	83,486	2030	3,457	2030	3,086
2030	78,435	5,051	83,486	2031	2,714	2031	2,337
2031	79,956	3,530	83,486	2032	1,957	2032	1,573
2032	81,507	1,979	83,486	2033	1,186	2033	793
2033	41,345	399	41,744	2034	399	2034	—
	<u>1,051,537</u>	<u>159,011</u>	<u>1,210,548</u>		<u>82,136</u>		<u>76,875</u>

STATISTICAL SECTION (Unaudited)

This part of the 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.

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF ROLLING MEADOWS, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

See Following Page

CITY OF ROLLING MEADOWS, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)

	2010	2011	2012
Governmental Activities			
Net Investment in Capital Assets	\$ 108,392,130	111,771,420	113,811,130
Restricted	1,699,491	2,767,336	1,437,541
Unrestricted	(4,534,846)	(7,515,610)	(2,230,163)
Total Governmental Activities Net Position	105,556,775	107,023,146	113,018,508
Business-Type Activities			
Net Investment in Capital Assets	8,095,948	8,449,043	8,343,385
Unrestricted	2,085,393	2,942,316	4,417,081
Total Business-Type Activities Net Position	10,181,341	11,391,359	12,760,466
Primary Government			
Net Investment in Capital Assets	116,488,078	120,220,463	122,154,515
Restricted	1,699,491	2,767,336	1,437,541
Unrestricted	(2,449,453)	(4,573,294)	2,186,918
Total Primary Government Net Position	115,738,116	118,414,505	125,778,974

* Accrual Basis of Accounting

2013	2014	2015	2016	2017	2018	2019
114,849,845	117,346,244	121,051,207	123,131,275	128,751,947	132,346,127	134,024,598
1,281,794	1,226,505	1,084,594	1,388,890	1,670,010	1,797,635	1,965,814
2,456,900	5,192,234	(62,359,303)	(68,600,811)	(57,482,713)	(62,272,079)	(65,075,389)
118,588,539	123,764,983	59,776,498	55,919,354	72,939,244	71,871,683	70,915,023
8,429,963	8,847,435	10,554,431	12,601,433	14,095,822	14,530,097	12,475,724
5,255,511	6,089,240	4,637,392	2,515,984	2,911,351	4,762,152	8,674,614
13,685,474	14,936,675	15,191,823	15,117,417	17,007,173	19,292,249	21,150,338
123,279,808	126,193,679	131,605,638	135,732,708	142,847,769	146,876,224	146,500,322
1,281,794	1,226,505	1,084,594	1,388,890	1,670,010	1,797,635	1,965,814
7,712,411	11,281,474	(57,721,911)	(66,084,827)	(54,571,362)	(57,509,927)	(56,400,775)
132,274,013	138,701,658	74,968,321	71,036,771	89,946,417	91,163,932	92,065,361

CITY OF ROLLING MEADOWS, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	\$ 3,866,996	4,235,018	2,551,436	1,884,228	1,978,376	4,710,309	929,813	1,354,511	1,457,228	2,125,040
Public Safety	17,950,149	19,535,204	19,817,544	21,310,555	21,718,054	30,989,615	33,691,854	11,271,148	30,114,837	25,520,356
Highways and Streets	673,460	1,136,370	1,201,640	1,271,488	993,051	1,019,272	1,013,213	1,253,252	1,082,494	1,828,790
Public Works	5,708,281	3,948,420	3,692,206	3,929,719	4,478,722	4,209,525	4,498,849	5,614,464	5,718,353	5,903,450
Health and Welfare	23,721	9,537	9,879	10,481	10,352	4,797	4,370	6,121	4,790	13,526
Economic Development	32,982	42,130	129,036	59,851	65,738	72,945	159,407	160,526	386,195	6,802,153
Interest on Long-Term Debt	825,026	752,459	670,105	512,086	412,711	346,695	283,878	221,075	230,817	666,724
Total Governmental Activities Expenses	29,080,615	29,659,138	28,071,846	28,978,408	29,657,004	41,353,158	40,581,384	19,881,097	38,994,714	42,860,039
Business-Type Activities										
Refuse	2,543,279	2,291,402	2,224,955	1,980,584	2,120,696	2,188,936	2,349,984	2,178,195	2,209,077	2,288,099
Utilities	6,432,610	6,740,808	7,735,312	8,178,445	8,557,359	9,443,330	10,425,577	9,601,362	9,399,536	9,815,137
Total Business-Type Activities Expenses	8,975,889	9,032,210	9,960,267	10,159,029	10,678,055	11,632,266	12,775,561	11,779,557	11,608,613	12,103,236
Total Primary Government Expenses	38,056,504	38,691,348	38,032,113	39,137,437	40,335,059	52,985,424	53,356,945	31,660,654	50,603,327	54,963,275
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	2,235,239	2,292,373	2,759,018	2,744,240	2,949,559	4,422,436	3,482,990	3,100,246	3,371,559	3,405,801
Public Safety	2,278,235	1,935,468	2,010,026	2,098,685	2,088,946	2,398,343	2,215,543	2,103,101	2,450,768	2,388,269
Highways and Streets	379,500	376,565	440,191	502,194	494,121	492,658	484,226	486,865	427,400	—
Public Works	—	—	—	—	—	—	—	—	—	—
Operating Grants/Contributions	129,711	115,719	89,572	45,133	34,668	131,706	26,655	15,585	35,781	45,476
Capital Grants/Contributions	743,796	1,068,261	1,981,230	1,641,349	1,620,109	1,584,544	1,129,271	1,170,974	1,212,653	1,241,264
Total Governmental Activities Program Revenues	5,766,481	5,788,386	7,280,037	7,031,601	7,187,403	9,029,687	7,338,685	6,876,771	7,498,161	7,080,810
Business-Type Activities										
Charges for Services										
Refuse	2,441,652	2,550,654	2,489,843	2,182,624	2,289,293	2,211,095	2,198,818	2,194,628	2,178,810	2,173,823
Utilities	7,971,358	7,690,989	8,926,344	8,900,389	9,638,533	9,946,864	10,600,582	11,413,154	11,789,968	11,597,371
Capital Grants/Contributions	—	—	—	—	—	—	—	—	—	—
Total Business-Type Activities Program Revenues	10,413,010	10,241,643	11,416,187	11,083,013	11,927,826	12,157,959	12,799,400	13,607,782	13,968,778	13,771,194
Total Primary Government Program Revenues	16,179,491	16,030,029	18,696,224	18,114,614	19,115,229	21,187,646	20,138,085	20,484,553	21,466,939	20,852,004

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense) Revenue										
Governmental Activities	\$ (23,314,134)	(23,870,752)	(20,791,809)	(21,946,807)	(22,469,601)	(32,323,471)	(33,242,699)	(13,004,326)	(31,496,553)	(35,779,229)
Business-Type Activities	1,437,121	1,209,433	1,455,920	923,984	1,249,771	525,693	23,839	1,828,225	2,360,165	1,667,958
Total Primary Government Net Revenue (Expense)	(21,877,013)	(22,661,319)	(19,335,889)	(21,022,823)	(21,219,830)	(31,797,778)	(33,218,860)	(11,176,101)	(29,136,388)	(34,111,271)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	10,548,012	11,826,132	12,794,326	13,212,272	13,185,352	13,330,729	13,352,220	14,931,202	17,292,247	18,528,573
Sales and Home Rule	4,726,022	4,930,575	5,127,489	5,287,152	5,725,672	5,696,766	6,332,653	6,210,667	6,108,188	6,092,965
Telecommunications Taxes	1,846,728	1,936,227	1,845,387	1,705,124	1,489,622	1,691,483	1,405,592	1,317,282	1,215,689	1,090,862
Electric Utility	1,310,453	1,295,918	1,298,887	1,314,755	1,318,396	1,291,072	1,285,380	1,241,455	1,274,398	1,173,873
Hotel	289,076	333,374	389,212	399,218	466,914	476,594	459,967	437,536	296,908	327,709
Food and Beverage	1,216,961	1,212,122	1,176,218	1,166,430	1,219,330	1,286,438	1,337,145	1,322,223	1,588,313	1,447,335
Real Estate Transfer	174,819	153,688	239,865	638,306	433,172	505,464	599,679	587,918	912,718	327,913
Income	1,923,695	1,915,788	2,136,575	2,323,902	2,282,225	2,605,804	2,315,210	2,189,384	2,324,681	2,585,667
Replacement	194,281	181,680	175,462	201,091	194,283	179,585	191,939	221,448	160,928	224,814
Other Taxes	783,518	802,280	840,015	905,187	952,161	1,020,476	943,578	986,795	1,157,347	1,824,693
Interest	3,736	8,471	12,070	12,125	(36,478)	17,131	54,407	78,814	212,418	724,000
Miscellaneous	508,518	740,868	664,470	351,276	415,396	713,424	907,785	499,492	403,712	474,165
Transfers	56,402	—	87,195	—	—	—	200,000	—	—	—
Total Governmental Activities	23,582,221	25,337,123	26,787,171	27,516,838	27,646,045	28,814,966	29,385,555	30,024,216	32,947,547	34,822,569
Business-Type Activities										
Interest	(6,078)	585	382	1,024	1,430	20,876	101,755	61,531	45,443	190,131
Transfers	(56,402)	—	(87,195)	—	—	—	(200,000)	—	—	—
Total Business-Type Activities	(62,480)	585	(86,813)	1,024	1,430	20,876	(98,245)	61,531	45,443	190,131
Total Primary Government	23,519,741	25,337,708	26,700,358	27,517,862	27,647,475	28,835,842	29,287,310	30,085,747	32,992,990	35,012,700
Changes in Net Position										
Governmental Activities	268,087	1,466,371	5,995,362	5,570,031	5,176,444	(3,508,505)	(3,857,144)	17,019,890	1,450,994	(956,660)
Business-Type Activities	1,374,641	1,210,018	1,369,107	925,008	1,251,201	546,569	(74,406)	1,889,756	2,405,608	1,858,089
Total Primary Government	1,642,728	2,676,389	7,364,469	6,495,039	6,427,645	(2,961,936)	(3,931,550)	18,909,646	3,856,602	901,429

* Accrual Basis of Accounting

Data Source: Audited Financial Statements

CITY OF ROLLING MEADOWS, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)

	2010	2011	2012
General Fund			
Reserved	\$ 38,662	—	—
Unreserved	(276,386)	—	—
Nonspendable	—	17,154	42,584
Restricted	—	—	—
Committed	—	—	—
Assigned	—	—	—
Unassigned	—	1,835,647	4,203,793
Total General Fund	<u>(237,724)</u>	<u>1,852,801</u>	<u>4,246,377</u>
All Other Governmental Funds			
Reserved	—	—	—
Unreserved, Reported in:			
Special Revenue Funds	1,890,239	—	—
Debt Service Funds	733,690	—	—
Nonspendable	—	43,704	34,615
Restricted	—	2,767,336	1,437,541
Assigned	—	394,257	756,176
Unassigned	—	(1,577,366)	(1,194,218)
Total All Other Governmental Funds	<u>4,624,535</u>	<u>1,627,931</u>	<u>1,034,114</u>
Total Governmental Funds	<u><u>4,386,811</u></u>	<u><u>3,480,732</u></u>	<u><u>5,280,491</u></u>

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

Note: The City adopted GASB No. 54 for the year ended December 31, 2011.

2013	2014	2015	2016	2017	2018	2019
—	—	—	—	—	—	—
—	—	—	—	—	—	—
26,407	44,792	44,788	41,146	46,467	38,431	26,883
—	—	—	52,835	35,178	—	—
—	421,452	521,452	721,452	1,021,452	1,400,000	1,400,000
—	—	1,221,683	1,000,000	750,000	—	—
6,076,910	7,565,662	9,671,128	10,113,617	7,711,972	9,675,955	9,363,567
6,103,317	8,031,906	11,459,051	11,929,050	9,565,069	11,114,386	10,790,450
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	—
9,987	2,677	35,126	35,331	41,990	1,198	50,657
1,283,172	1,234,222	1,090,277	1,454,780	1,634,832	1,797,635	1,965,814
1,147,248	488,579	313,560	1,112,349	1,285,115	3,636,772	2,300,216
(890,492)	(1,020,387)	(1,147,851)	(1,416,954)	(1,544,381)	7,359,677	(1,157,011)
1,549,915	705,091	291,112	1,185,506	1,417,556	12,795,282	3,159,676
7,653,232	8,736,997	11,750,163	13,114,556	10,982,625	23,909,668	13,950,126

CITY OF ROLLING MEADOWS, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years*
December 31, 2019 (Unaudited)**

	2010	2011	2012
Revenues			
Taxes	\$ 20,571,562	22,139,213	23,327,064
Intergovernmental	3,385,015	3,632,551	4,767,174
Licenses and Permits	1,164,750	1,337,517	1,504,274
Charges for Services	2,210,123	2,070,328	2,433,701
Fines and Forfeitures	1,448,596	1,196,561	1,271,260
Interest	3,656	7,758	11,033
Miscellaneous	508,518	740,868	664,470
Total Revenues	29,292,220	31,124,796	33,978,976
Expenditures			
General Government	3,512,882	3,357,499	4,042,299
Public Safety	18,731,524	19,269,706	20,259,585
Highways and Streets	673,460	1,136,370	1,201,640
Public Works	2,668,228	2,417,384	2,136,425
Health and Welfare	23,721	9,537	9,879
Economic Development	32,982	42,130	129,036
Capital Outlay	1,114,952	2,062,621	1,948,992
Debt Service			
Principal Retirement	3,007,460	2,972,170	1,926,880
Interest	837,422	765,130	615,941
Total Expenditures	30,602,631	32,032,547	32,270,677
Excess of Revenues Over (Under) Expenditures	(1,310,411)	(907,751)	1,708,299
Other Financing Sources (Uses)			
Disposal of Capital Assets	10,456	1,672	763
Debt Issuance	1,200,000	—	8,265,000
Premium/Discount on Debt Issuance	—	—	5,791
Payment to Escrow Agent	—	—	(8,267,289)
Transfers In	2,712,782	1,412,903	961,494
Transfers Out	(1,656,380)	(1,412,903)	(874,299)
	2,266,858	1,672	91,460
Net Change in Fund Balances	956,447	(906,079)	1,799,759
Debt Service as a Percentage of Noncapital Expenditures	12.96%	12.54%	8.46%

* Modified Accrual Basis of Accounting

2013	2014	2015	2016	2017	2018	2019
24,194,556	24,319,808	24,763,044	25,130,858	26,411,720	29,133,926	29,929,856
4,645,363	4,602,096	5,037,617	4,248,431	4,220,749	4,445,925	4,981,288
1,387,226	1,549,965	2,743,938	1,906,181	1,479,815	1,640,953	1,280,705
2,609,891	2,615,701	2,972,949	2,926,258	2,888,994	3,235,235	3,329,586
1,348,002	1,366,960	1,596,550	1,350,320	1,321,403	1,373,539	1,183,779
10,590	(37,604)	16,965	53,648	77,986	208,497	695,524
351,276	415,396	713,424	907,785	499,492	403,712	474,165
34,546,904	34,832,322	37,844,487	36,523,481	36,900,159	40,441,787	41,874,903
3,564,299	4,062,109	4,320,711	4,039,414	2,666,435	2,780,263	2,976,876
21,237,148	21,688,294	21,970,277	23,764,984	24,987,648	25,491,740	26,421,368
1,271,488	993,051	1,019,272	1,013,213	1,108,131	1,082,494	1,135,666
2,256,611	2,400,591	2,336,042	2,287,326	3,649,697	3,938,222	4,086,068
10,481	10,352	4,797	4,370	6,121	4,790	13,526
59,851	65,738	72,945	159,407	873,430	386,195	6,802,153
2,101,590	2,166,300	2,230,830	2,275,720	2,360,348	1,020,000	915,000
457,492	381,365	315,000	253,165	190,013	197,088	648,356
32,146,220	33,754,157	34,936,321	35,459,088	39,382,090	38,045,144	55,430,284
2,400,684	1,078,165	2,908,166	1,064,393	(2,481,931)	2,396,643	(13,555,381)
539	600	—	—	—	—	—
2,055,000	—	—	—	—	9,500,000	4,262,240
—	—	—	—	—	451,852	318,599
(2,033,165)	—	—	—	—	—	—
1,698,570	1,712,967	1,700,724	2,997,575	3,552,075	1,411,623	2,769,934
(1,748,887)	(1,707,967)	(1,595,724)	(2,697,575)	(3,202,075)	(833,075)	(3,754,934)
(27,943)	5,600	105,000	300,000	350,000	10,530,400	3,595,839
2,372,741	1,083,765	3,013,166	1,364,393	(2,131,931)	12,927,043	(9,959,542)
8.41%	7.97%	7.87%	7.40%	7.25%	3.49%	3.56%

CITY OF ROLLING MEADOWS, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2019 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property
2009	\$ 572,817,559	\$ 391,540,158	\$ 181,795,503	\$ —
2010	511,782,750	325,424,028	166,631,402	—
2011	478,777,636	280,540,952	147,475,207	—
2012	441,318,353	259,333,247	135,360,243	—
2013	369,772,380	252,591,816	100,770,099	—
2014	394,371,663	254,681,126	81,117,603	—
2015	382,895,892	242,324,603	78,686,402	—
2016	454,910,891	259,421,096	79,071,548	—
2017	453,622,046	270,527,838	83,954,247	—
2018	443,340,025	265,568,525	81,088,939	—

Data Source: Office of the Cook County Clerk

Note: Property is assessed at 33% of actual value.

Total Taxable Assessed Value	% Increase/ (Decrease)	Estimated Actual Taxable Value	Ratio of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
\$ 1,146,153,220	(0.57%)	\$ 3,438,459,660	33.33%	1.158
1,003,838,180	(12.42%)	3,011,514,540	33.33%	1.416
906,793,795	(9.67%)	2,720,381,385	33.33%	1.706
836,011,843	(7.81%)	2,508,035,529	33.33%	1.918
723,134,295	(13.50%)	2,169,402,885	33.33%	2.200
730,170,392	0.97%	2,190,511,176	33.33%	2.187
703,906,897	(3.60%)	2,111,720,691	33.33%	2.362
793,403,535	12.71%	2,380,210,605	33.33%	2.190
808,104,131	1.85%	2,424,312,393	33.33%	2.247
789,997,489	(2.24%)	2,369,992,467	33.33%	2.370

CITY OF ROLLING MEADOWS, ILLINOIS

**Direct and Overlapping Property Tax Rates - Elk Grove Township - Last Ten Tax Levy Years
December 31, 2019 (Unaudited)**

	2009	2010	2011
City Direct Rates			
General	\$ 0.445	0.507	0.649
Debt Service	0.124	0.142	0.157
Pension Trust			
Police Pension	0.139	0.209	0.257
Firefighters' Pension	0.141	0.206	0.254
Total City Direct Rates	0.849	1.064	1.317
Component Unit - Library Direct Rate	0.309	0.352	0.389
Total City Direct Rate	1.158	1.416	1.706
Overlapping Rates - Elk Grove Township			
Cook County	0.394	0.423	0.462
Forest Preserve District	0.490	0.051	0.058
Suburban Tuberculosis Sanitarium	—	—	0.025
Metropolitan Sanitary District	0.261	0.274	0.320
Northwest Mosquito Abatement	0.008	0.009	0.010
Consolidated Elections	0.021	—	—
Elk Grove			
Town	0.044	0.049	0.056
Road and Bridge	0.010	0.010	0.013
General Assistance	0.010	0.010	0.012
School Districts			
School District Number 15	2.307	2.512	2.943
High School District Number 214	1.636	1.839	2.067
Community College District Number 512	0.258	0.295	0.334
Rolling Meadows Park District	0.420	0.486	0.546
Total Overlapping Rates - Elk Grove Township	5.859	5.958	6.846
Total Direct and Overlapping Rates	7.017	7.374	8.552

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value.

2012	2013	2014	2015	2016	2017	2018
0.703	0.812	0.790	0.833	0.692	0.802	0.950
0.168	0.193	0.189	0.191	0.169	0.056	—
0.295	0.353	0.355	0.411	0.418	0.445	0.443
0.318	0.379	0.384	0.436	0.460	0.484	0.482
1.484	1.737	1.718	1.870	1.739	1.787	1.876
0.434	0.463	0.469	0.493	0.451	0.460	0.494
1.918	2.200	2.187	2.362	2.190	2.247	2.370
0.531	0.560	0.568	0.552	0.533	0.496	0.489
0.063	0.069	0.069	0.069	0.063	0.062	0.060
—	—	—	—	—	—	—
0.370	0.417	0.430	0.426	0.406	0.402	0.396
0.011	0.013	0.013	0.011	0.010	0.010	0.011
—	0.031	—	0.034	—	0.031	—
0.064	0.077	0.076	0.078	0.066	0.650	0.059
0.014	0.017	0.018	0.018	0.016	0.016	0.080
0.014	0.017	0.017	0.017	0.013	0.013	0.007
3.269	3.849	3.868	4.035	3.543	3.618	3.807
2.324	2.768	2.776	2.881	2.527	2.563	3.044
0.373	0.444	0.451	0.466	0.416	0.425	0.443
0.607	0.709	0.711	0.749	0.677	0.679	0.714
7.640	8.971	8.997	9.336	8.270	8.965	9.110
9.558	11.171	11.184	11.698	10.460	11.212	11.480

CITY OF ROLLING MEADOWS, ILLINOIS

Direct and Overlapping Property Tax Rates- Palatine Township (High School District 211) - Last Ten Tax Levy Years

December 31, 2019 (Unaudited)

	2009	2010	2011
City Direct Rates			
General	\$ 0.445	0.507	0.648
Debt Service	0.124	0.142	0.157
Pension Trust			
Police Pension	0.139	0.209	0.257
Firefighters' Pension	0.141	0.206	0.254
Total City Direct Rates	0.849	1.064	1.316
Component Unit - Library Direct Rate	0.309	0.352	0.389
Total City Direct Rate	1.158	1.416	1.705
Overlapping Rates - Palatine Township			
Cook County	0.394	0.423	0.462
Forest Preserve District	0.490	0.051	0.058
Water Reclamation District	0.261	0.274	0.320
Northwest Mosquito Abatement	0.008	0.009	0.010
Consolidated Elections	0.021	—	—
Palatine			
Town	0.034	0.041	0.044
Road and Bridge	0.061	0.070	0.079
General Assistance	0.008	0.009	0.012
School Districts			
School District Number 15	2.307	2.512	2.943
High School District Number 214	1.916	2.200	2.482
Community College District Number 512	0.258	0.295	0.334
Rolling Meadows Park District	0.420	0.486	0.546
Total Overlapping Rates - Palatine Township	6.178	6.370	7.290
Total Direct and Overlapping Rates	7.336	7.786	8.995

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value.

2012	2013	2014	2015	2016	2017	2018
0.703	0.812	0.790	0.833	0.692	0.802	0.950
0.168	0.193	0.189	0.191	0.169	0.056	—
0.295	0.353	0.355	0.411	0.418	0.445	0.443
0.318	0.379	0.384	0.436	0.460	0.484	0.482
1.484	1.737	1.718	1.870	1.739	1.787	1.876
0.434	0.463	0.469	0.493	0.451	0.460	0.494
1.918	2.200	2.187	2.362	2.190	2.247	2.370
0.531	0.560	0.568	0.552	0.533	0.496	0.489
0.063	0.069	0.069	0.069	0.063	0.062	0.060
0.370	0.417	0.430	0.426	0.406	0.402	0.396
0.011	0.013	0.013	0.011	0.010	0.010	0.011
—	0.031	—	0.034	—	0.030	—
0.049	0.058	0.059	0.063	0.054	0.550	0.059
0.082	0.092	0.090	0.092	0.079	0.780	0.080
0.014	0.017	0.017	0.018	0.012	0.100	0.007
3.269	3.849	3.868	4.035	3.543	3.618	3.807
2.772	3.197	3.213	3.309	2.871	2.922	3.044
0.373	0.444	0.451	0.466	0.416	0.425	0.443
0.607	0.709	0.711	0.749	0.677	0.679	0.714
8.141	9.456	9.489	9.824	8.664	10.074	9.110
10.059	11.656	11.676	12.186	10.854	12.321	11.480

CITY OF ROLLING MEADOWS, ILLINOIS

Direct and Overlapping Property Tax Rates- Palatine Township (High School District 214) - Last Ten Tax Levy Years

December 31, 2019 (Unaudited)

	2009	2010	2011
City Direct Rates			
General	\$ 0.445	0.507	0.648
Debt Service	0.124	0.142	0.157
Pension Trust			
Police Pension	0.139	0.209	0.257
Firefighters' Pension	0.141	0.206	0.254
Total City Direct Rates	0.849	1.065	1.317
Component Unit - Library Direct Rate	0.309	0.352	0.389
Total City Direct Rate	1.158	1.417	1.706
Overlapping Rates - Palatine Township			
Cook County	0.394	0.423	0.462
Forest Preserve District	0.049	0.051	0.028
Water Reclamation District	0.261	0.274	0.320
Northwest Mosquito Abatement	0.008	0.009	0.010
Consolidated Elections	0.021	—	0.025
Palatine			
Town	0.034	0.041	0.044
Road and Bridge	0.061	0.070	0.079
General Assistance	0.008	0.009	0.012
School Districts			
School District Number 15	2.307	2.512	2.943
High School District Number 214	1.636	1.839	2.067
Community College District Number 512	0.256	0.295	0.334
Rolling Meadows Park District	0.420	0.486	0.546
Total Overlapping Rates - Palatine Township	5.455	6.009	6.870
Total Direct and Overlapping Rates	6.613	7.426	8.576

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value.

2012	2013	2014	2015	2016	2017	2018
0.703	0.812	0.790	0.833	0.692	0.802	0.950
0.168	0.193	0.189	0.191	0.169	0.056	—
0.295	0.353	0.355	0.411	0.418	0.445	0.443
0.318	0.379	0.384	0.436	0.460	0.484	0.482
1.484	1.737	1.718	1.870	1.739	1.787	1.876
0.434	0.463	0.469	0.493	0.451	0.460	0.494
1.918	2.200	2.187	2.362	2.190	2.247	2.370
0.531	0.560	0.568	0.552	0.533	0.496	0.489
0.063	0.069	0.069	0.069	0.063	0.062	0.060
0.370	0.417	0.430	0.426	0.406	0.402	0.396
0.011	0.013	0.013	0.011	0.010	0.010	0.010
—	0.031	—	0.034	—	0.031	—
0.049	0.058	0.059	0.063	0.054	0.550	0.059
0.082	0.092	0.090	0.092	0.079	0.780	0.080
0.014	0.017	0.017	0.018	0.012	0.010	0.007
3.269	3.849	3.868	4.035	3.543	3.618	3.807
2.324	2.768	2.776	2.881	2.527	2.563	2.669
0.373	0.444	0.451	0.466	0.416	0.425	0.443
0.607	0.709	0.711	0.749	0.677	0.679	0.714
7.693	9.027	9.052	9.396	8.320	9.626	8.734
9.611	11.227	11.239	11.758	10.510	11.873	11.104

CITY OF ROLLING MEADOWS, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Eight Tax Levy Years Ago
December 31, 2019 (Unaudited)**

Taxpayer	2018 Tax Levy Year			2010 Tax Levy Year		
	Taxable	Rank	Percentage	Taxable	Rank	Percentage
	Assessed		of Total City	Assessed		of Total City
	Value		Value	Value		Value
Arthur J Gallagher	\$ 14,967,555	1	1.89%			
CT Acquisitions/1701 Golf Rd	12,046,367	2	1.52%			
Atrium Corp. Center LLC	7,712,882	3	0.98%	\$ 10,255,039	2	0.89%
Northrop Grumman Systems	6,031,987	4	0.76%	6,878,822	3	0.60%
Marc Realty	5,068,972	5	0.64%	5,319,584	7	0.46%
1600 Corporate Center	3,999,998	6	0.51%	5,850,712	4	0.46%
Walmart Stores	3,884,657	7	0.49%	5,617,153	6	0.49%
Woodfield Crossing/12 Oaks Realty	3,362,585	8	0.43%	5,704,116	5	0.49%
Meijer Stores	3,171,891	9	0.40%			
Rolling Meadows Station, LLC	2,838,404	10	0.36%			
Prime Group Realty				18,073,786	1	1.57%
Tower Realty				4,519,603	8	0.39%
Rolling Meadows Delaware				4,107,034	9	0.36%
5201 Venture				3,271,779	10	0.28%
Totals	<u>63,085,298</u>		<u>7.98%</u>	<u>69,597,628</u>		<u>5.99%</u>

Data Source: Office of the Cook County Clerk - Tax Extension Department

CITY OF ROLLING MEADOWS, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2010	2009	\$ 9,730,232	\$ 9,383,289	96.43%	\$ 108,851	\$ 9,492,140	97.55%
2011	2010	10,690,980	10,481,601	98.04%	(2,868)	10,478,733	98.01%
2012	2011	11,939,545	11,565,351	96.87%	(76,090)	11,489,261	96.23%
2013	2012	12,393,762	12,006,864	96.88%	(173,168)	11,833,696	95.48%
2014	2013	12,559,428	12,374,321	98.53%	11,319	12,385,640	98.62%
2015	2014	12,546,303	12,294,644	97.99%	(170,334)	12,124,310	96.64%
2016	2015	13,160,870	12,938,003	98.31%	(167,112)	12,770,891	97.04%
2017	2016	13,791,764	13,383,753	97.04%	(120,203)	13,263,550	96.17%
2018	2017	14,435,144	13,994,684	96.95%	(34,027)	13,994,684	96.95%
2019	2018	14,818,612	14,482,145	97.73%	—	14,482,145	97.73%

Data Source: Office of the Cook County Clerk

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value.

CITY OF ROLLING MEADOWS, ILLINOIS

**Taxable Sales by Category - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

	2010	2011	2012
General Merchandise	\$ 39,328,192	28,167,711	37,623,908
Food	9,916,455	9,785,079	9,011,588
Drinking and Eating Places	42,917,114	43,795,249	51,400,943
Apparel	2,443,133	11,089,518	1,610,968
Furniture and H.H. and Radio	5,862,267	6,649,299	8,020,244
Lumber, Building, Hardware	1,186,241	794,665	710,119
Automobile and Filling Stations	52,407,264	64,965,950	66,092,838
Drugs and Misc. Retail	12,343,741	12,821,333	14,548,096
Agriculture and All Others	23,267,418	24,719,294	21,716,579
Manufacturers	6,851,196	2,831,417	5,460,129
Totals	<u>196,523,021</u>	<u>205,619,515</u>	<u>216,195,412</u>
Local Sales Tax Rate	<u>2.00%</u>	<u>2.00%</u>	<u>2.00%</u>
Total Sales Tax Rate	<u>9.50%</u>	<u>9.25%</u>	<u>9.00%</u>

Data Source: Illinois Department of Revenue

2013	2014	2015	2016	2017	2018	2019
36,328,755	60,335,714	59,296,321	49,435,476	48,619,619	50,073,648	49,493,472
8,723,269	9,890,112	9,118,952	7,470,631	6,956,669	7,450,416	7,150,112
49,940,617	50,610,022	55,103,777	48,756,038	53,287,474	53,771,112	54,801,008
1,088,969	346,145	46,913	60,881	120,495	248,271	72,064
8,972,718	9,640,245	8,940,544	4,877,923	5,903,590	4,729,296	3,904,160
1,128,473	1,374,305	2,535,015	2,113,695	1,935,699	1,517,739	1,514,640
67,697,225	39,460,442	41,794,477	32,872,344	28,853,418	24,202,332	25,515,216
16,448,533	17,298,321	18,327,253	15,052,532	14,440,187	13,158,908	12,197,984
20,689,436	31,126,523	37,164,473	40,386,830	36,091,630	37,316,155	35,850,640
12,305,693	23,661,044	11,994,220	28,418,044	27,078,622	26,125,184	25,864,368
223,323,688	243,742,873	244,321,945	229,444,394	223,287,403	218,593,061	216,363,664
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
9.00%	9.00%	9.00%	10.00%	10.00%	10.00%	10.00%

CITY OF ROLLING MEADOWS, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Sales Tax	Sales Tax to City	Home Rule Sales Tax to City	Mass Transit Portion	Total Sales Tax Rate
2010	5.25%	1.00%	1.00%	1.00%	9.50%
2011	5.25%	1.00%	1.00%	1.00%	9.25%
2012	5.25%	1.00%	1.00%	1.00%	9.00%
2013	5.25%	1.00%	1.00%	1.00%	9.00%
2014	5.25%	1.00%	1.00%	1.00%	9.00%
2015	5.25%	1.00%	1.00%	1.00%	9.00%
2016	6.25%	1.00%	1.00%	1.00%	10.00%
2017	6.25%	1.00%	1.00%	1.00%	10.00%
2018	6.25%	1.00%	1.00%	1.00%	10.00%
2019	6.25%	1.00%	1.00%	1.00%	10.00%

Data Source: Illinois Department of Revenue

CITY OF ROLLING MEADOWS, ILLINOIS

**Local Tax Revenues - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	State Sales Tax	Home Rule Sales Tax	Telecom Tax	Electric Utility Tax (A)	Food & Beverage	Hotel Tax	Real Estate Transfer Tax	Nicor Gas Tax *	Video Gaming*
2010	\$ 2,768,676	\$ 1,957,345	\$ 1,846,728	\$ 1,310,453	\$ 1,216,961	\$ 289,076	\$ 174,819	\$ —	\$ —
2011	2,871,640	2,058,935	1,936,227	1,295,918	1,212,122	333,374	153,688	—	—
2012	2,978,856	2,148,633	1,845,387	1,298,887	1,176,218	389,212	239,865	—	—
2013	3,075,929	2,211,223	1,705,124	1,314,755	1,166,430	399,218	638,306	—	—
2014	3,318,967	2,406,705	1,489,622	1,318,396	1,219,330	466,914	433,172	—	—
2015	3,354,233	2,342,533	1,691,483	1,291,072	1,286,438	476,594	505,464	—	—
2016	3,665,593	2,667,060	1,405,592	1,285,380	1,337,145	459,967	599,679	—	—
2017	3,563,795	2,646,872	1,317,282	1,241,455	1,322,223	437,536	587,918	—	—
2018	3,497,915	2,610,273	1,215,689	1,274,398	1,588,313	296,908	912,718	93,003	3,962
2019	3,508,828	2,584,137	1,090,862	1,173,873	1,447,335	327,709	327,913	595,966	70,927

Data Source: Audited Financial Statements

* Nicor Gas Tax and Video Gaming were implemented in 2018.

CITY OF ROLLING MEADOWS, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Lease	General Obligation Bonds	IEPA Loans			
2010	\$ 18,968,838	\$ 390,505	\$ 2,786,162	\$ —	\$ 22,145,505	6.12%	919
2011	17,131,668	284,713	2,508,332	—	19,924,713	4.74%	827
2012	15,474,788	234,172	2,230,212	1,029,074	17,939,172	4.34%	787
2013	13,348,198	191,232	1,896,802	2,434,046	17,870,278	3.89%	742
2014	11,181,898	—	1,558,102	2,586,404	15,326,404	3.18%	636
2015	8,951,068	—	1,218,932	2,480,774	12,650,774	2.61%	525
2016	6,675,348	—	859,652	2,368,030	9,903,030	1.92%	401
2017	4,315,000	—	490,000	2,252,899	7,057,899	1.33%	286
2018	13,246,852	—	295,000	2,135,333	15,677,185	2.82%	647
2019	16,874,927	—	4,669,445	2,015,278	23,559,650	4.24%	985

Data Source: Audited Financial Statements

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF ROLLING MEADOWS, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	General Obligation Bonds	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2010	\$ 21,755,000	1.90%	\$ 903
2011	19,640,000	1.96%	815
2012	17,705,000	1.95%	735
2013	15,245,000	1.82%	633
2014	12,740,000	1.76%	529
2015	10,170,000	1.39%	422
2016	7,535,000	1.07%	305
2017	4,805,000	0.61%	195
2018	13,541,852	1.68%	559
2019	21,544,372	2.73%	901

Data Source: Audited Financial Statements

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF ROLLING MEADOWS, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
December 31, 2019 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City Direct Debt	\$ 16,874,927	100.00%	\$ 16,874,927
Overlapping Debt			
County of Cook	3,387,834,079	0.59%	19,988,221
Cook County Forest Preserve	164,751,905	0.59%	972,036
Metropolitan Water Reclamation District	2,810,177,000	0.60%	16,861,062
Arlington Heights Park District	14,320,000	0.18%	25,776
Palatine Park District	23,949,508	5.97%	1,429,786
Rolling Meadows Park District	2,291,000	89.27%	2,045,176
Schaumburg Park District	11,162,000	0.20%	22,324
Community Consolidated School District No. 15	48,405,225	20.79%	10,063,446
Community Consolidated School District No. 59	6,435,000	1.76%	113,256
Township High School District 211	—	4.34%	—
Township High School District 214	35,285,000	5.96%	2,102,986
Harper College Comm College District No. 512	134,849,515	6.45%	8,697,794
Total Overlapping Debt	6,639,460,232		62,321,863
Total Direct and Overlapping Debt	6,656,335,159		79,196,790

Data Source: Cook County Treasurer's Office

(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.

CITY OF ROLLING MEADOWS, ILLINOIS

**Schedule of Legal Debt Margin
December 31, 2019 (Unaudited)**

The City is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

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

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

CITY OF ROLLING MEADOWS, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Fiscal Year	(1) Population	(4) Personal Income (in Thousands)	(1) Per Capita Personal Income	(5) Median Age	(1) *Percent High School Graduate or Higher %	(2) School Enrollment	(3) Unemployment Rate	(4) Bachelor's Degree or Better Education Level	(1) Median Household Income	(1) Median House Value
2010	24,099	\$ 361,800	\$ 26,178	34.4	N/A	4,392	10.10%	N/A	N/A	N/A
2011	24,099	420,051	30,678	34.2	N/A	5,196	9.90%	N/A	N/A	N/A
2012	24,099	436,998	30,678	37.5	86.3	5,032	8.90%	N/A	N/A	N/A
2013	24,099	459,981	30,919	35.3	85.4	5,703	9.20%	N/A	N/A	N/A
2014	24,099	482,206	28,813	37.0	84.9	5,646	6.40%	N/A	N/A	N/A
2015	24,099	484,322	29,331	36.6	85.6	5,258	6.70%	N/A	N/A	N/A
2016	24,667	514,662	32,238	37.2	85.4	5,513	5.90%	N/A	N/A	N/A
2017	24,639	529,121	33,722	37.7	87.0	5,486	5.00%	36.00%	\$ 65,965	\$ 248,361
2018	24,231	555,922	35,094	38.0	87.0	5,183	3.90%	33.90%	67,849	256,218
2019	23,922	555,922	37,008	37.8	87.0	4,351	3.40%	38.00%	73,847	255,340

Data source:

(1) Illinois Hometown Locator - Data as of 07/01/17; (2) U.S. Bureau of Economic Analysis/Metropolitan Area; (3) U.S. Census Factfinder; (4) City-data.com; (5) Data provided by School District Administrative Offices; (6) Illinois Dept of Employment Security, Economic Information and Analysis/ides.illinois.gov(LAUS) Metro Areas

* For year 2016, category was changed from "Education Level in Years of Schooling" due to lack of data available.

N/A - Not available

CITY OF ROLLING MEADOWS, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2019 (Unaudited)**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Northrop Defense Systems	2,500	1	10.50%	2,300	1	10.00%
Arthur J Gallagher	2,000	2	8.40%			
Verizon Wireless	1,075	3	4.50%			
Capital One	710	4	3.00%			
Career Builder Employment Screening	330	5	1.40%			
A.H. Management Group	300	6	1.30%	274	5	1.20%
Meijer	255	7	1.10%	260	6	1.10%
Walmart	220	8	0.90%	220	9	1.00%
RTC	210	9	0.90%	203	10	0.90%
Panasonic	180	10	0.80%	235	7	1.00%
Harris Bank				405	2	1.80%
Riverside Publishing				348	3	1.50%
Panasonic				337	4	1.50%
Research In Motion				230	8	1.00%
	<u>7,780</u>		<u>32.80%</u>	<u>4,812</u>		<u>21.00%</u>

Data Sources:

Rolling Meadows Chamber of Commerce-Top Rolling Meadows Employers

March 2020 data

CITY OF ROLLING MEADOWS, ILLINOIS

**Full-Time and Part-Time Employees by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Full-Time			
General Government			
Management	7	6	7
Finance	4	4	4
Community Development	8	8	8
Public Safety			
Police			
Officers	51	48	49
Civilians	9	8	8
Fire			
Firefighters and Officers	44	44	43
Civilians	—	—	1
Public Works			
Administration	4	4	4
Engineering/Inspections	2	1	—
Streets and Grounds	16	15	14
Utilities and Garage	15	15	15
Part-Time			
General Government			
Management	1	2	2
Finance	3	3	3
Community Development	1	1	1
Public Safety			
Police	9	12	12
Fire	1	—	—
Public Works			
Streets and Grounds	—	—	—
Utilities	3	4	2

Data Source: City Human Resources and Budget Departments

2013	2014	2015	2016	2017	2018	2019
7	6	8	8	9	9	9
4	4	5	5	5	5	5
8	7	9	8	7	7	7
49	49	49	50	50	50	50
9	8	6	7	7	7	7
43	44	44	42	44	44	44
1	1	1	1	1	1	1
4	5	5	5	5	4	5
—	—	—	—	—	—	—
15	14	14	15	14	15	16
16	17	14	17	17	16	16
2	1	1	1	—	—	—
3	3	3	3	3	3	2
1	2	—	—	—	—	—
10	13	14	13	13	14	12
—	—	—	—	—	—	—
—	—	2	1	1	1	1
—	—	1	2	3	—	—

CITY OF ROLLING MEADOWS, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Public Safety			
Police			
Physical Arrests	456	921	812
Parking Violations	3,469	6,165	6,198
Traffic Violations	5,947	4,665	3,591
Fire			
Emergency Responses	3,599	3,487	3,507
Fire Calls	1,097	1,196	1,070
Fires Extinguished	42	41	53
Public Works			
Street Resurfacing (Miles)	1.60	1.36	0.07
Snow and Ice Control (Tons of Salt)	1,668	678	1,301
Water			
Number of Water Main Repairs	58	54	61
Water Average Daily Consumption (Thousands of Gallons)	2,300	1,871	2,173
Refuse Collection			
Refuse Collected (Tons per Day)	19	19	18
Recyclables Collected (Tons per Day)	9	10	9

Data Source: Various City Departments

2013	2014	2015	2016	2017	2018	2019
861	871	678	692	513	531	739
6,494	4,983	2,281	2,220	2,152	1,460	1,216
3,688	3,069	3,999	4,241	2,145	1,979	1,457
3,589	3,535	3,787	3,991	3,955	4,024	3,946
1,181	1,280	1,096	1,141	1,114	1,096	1,209
54	54	42	43	52	57	34
0.75	0.91	1.00	1.52	1.57	1.55	2.44
2,078	1,420	1,408	952	673	1,547	2,276
69	52	66	46	66	36	61
2,037	2,006	1,944	1,928	1,946	1,873	1,750
10	18	19	20	19	19	19
11	9	9	9	9	9	9

CITY OF ROLLING MEADOWS, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Function/Program	2010	2011	2012
Public Safety			
Police			
Stations	1	1	1
Patrol Units	15	15	15
Fire			
Fire Stations	2	2	2
Fire Engines	5	5	4
Public Works			
Streets (Miles)	61.71	61.71	61.71
Streetlights	260	260	260
Traffic Signals	49	49	49
Water			
Water Mains (Miles)	89.92	90.12	90.12
Fire Hydrants	1,353	1,356	1,356
Storage Capacity (Millions of Gallons)	5.50	5.50	5.50
Wastewater			
Sanitary Sewer (Miles)	82.00	82.00	82.00
Lift Stations	3	3	3
Storm Sewers (Miles)	61	61	61

Data Source: Various City Departments

2013	2014	2015	2016	2017	2018	2019
1	1	1	1	1	1	1
15	15	15	15	15	15	15
2	2	2	2	2	2	2
4	4	4	4	4	4	4
61.71	61.71	61.71	61.71	61.91	61.91	65.64
260	350	350	350	350	350	451
49	49	49	49	49	49	64
90.12	90.40	91.25	91.58	91.71	91.75	99.28
1,356	1,364	1,373	1,463	1,465	1,469	1,251
5.50	5.50	5.55	5.55	5.50	5.50	5.50
82.00	82.00	93.30	93.60	93.61	93.64	84.98
3	3	3	3	3	3	3
61	61	61	126	126	126	121

CITY OF ROLLING MEADOWS, ILLINOIS

**Water Sold by Type of Customer - Last Ten Fiscal Years
December 31, 2019 (Unaudited)**

Type of Customer	2010	2011	2012
Industrial	44,149	37,534	40,863
Residential/Multi-Family	520,636	495,298	516,757
Commercial	166,978	155,393	158,171
School/Government	26,343	25,827	27,718
Totals	758,106	714,052	743,509
Water Rate per 1,000 Gallons of 1st 15,000 Gallons	\$5.83	\$6.35	\$7.40
Water Rate per 1,000 Gallons in Excess of 15,000 Gallons	\$7.43	\$7.43	\$8.60
Sewer Rate per 1,000 Gallons of 1st 15,000 Gallons	\$2.10	\$2.10	\$2.50
Sewer Rate per 1,000 Gallons of 1st 15,000 Gallons	\$2.45	\$2.45	\$2.95

Notes:

City of Rolling Meadows Current Utility Rates for Water and Sewer services may be found on the City's website at www.cityrm.org

Data Source: City of Rolling Meadows Water Department Pumpage Report, Budget/Water-Utility Billing/Monthly Statistics/PW Report tab, and Budget folder-2019 UB

2013	2014	2015	2016	2017	2018	2019
35,689	35,452	33,139	33,735	34,014	30,678	29,281
472,037	460,017	451,679	453,485	456,871	439,376	417,760
144,366	145,063	138,671	142,611	153,385	149,605	138,312
25,511	24,316	29,674	24,227	27,312	27,275	23,890
677,603	664,848	653,163	654,058	671,582	646,934	609,243

\$8.11	\$8.76	\$9.42	\$10.08	\$10.79	\$11.55	\$12.36
\$9.37	\$10.12	\$10.78	\$11.53	\$12.34	\$13.20	\$14.12
\$2.63	\$2.84	\$2.98	\$3.13	\$3.29	\$3.45	\$3.62
\$3.10	\$3.35	\$3.52	\$3.70	\$3.89	\$4.08	\$4.28

CITY OF ROLLING MEADOWS, ILLINOIS

**Continuing Bond Disclosures
December 31, 2019 (Unaudited)**

**City of Rolling Meadows, Cook County, Illinois
2018 Continuing Bond Disclosures Relating to the Following Bonds:**

\$9,690,000 General Obligation Refunding Bonds of 2012

\$9,500,000 General Obligation Bonds of 2018

\$8,500,000 General Obligation Bonds of 2019

For further information please contact:

City of Rolling Meadows
3600 Kirchoff Road
Rolling Meadows, Illinois 60008

Telephone Number: (847) 394-8500

Fax Number: (847) 394-8710

Continuing Bond Disclosures - Continued

December 31, 2019 (Unaudited)

Certain Information Regarding the City

General

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2018. The City has received the award to each of the last 33 years. According to the GFOA, this award represents a significant accomplishment for a government and its management and is the highest form of recognition in the field of governmental reporting.

Budgetary Data

There is no updated information to report.

Cash Management

There is no updated information to report.

Property Taxes

Information regarding property tax levies, collections, and valuations for the City can be found in the statistical section on pages 207 - 208 and 216 of these audited financial statements.

Tax Rates

Information regarding updated property tax rates for the City can be found in the statistical section on pages 209 - 214 of these audited financial statements.

CITY OF ROLLING MEADOWS, ILLINOIS

Continuing Bond Disclosures - Continued
December 31, 2019 (Unaudited)

Debt Statement

Issue Date	Bond Issue	Principal Outstanding	Supported by
05/08/2012	General Obligation Refunding Bonds of 2012	\$ 2,830,000	Governmental/ Proprietary
12/18/2018	General Obligation Bonds of 2018	9,180,000	Governmental
03/21/2019	General Obligation Bonds of 2019	<u>8,500,000</u>	Governmental/ Proprietary
		<u><u>20,510,000</u></u>	

The City's overlapping and underlying bonded debt is updated as of December 31, 2019, and can be found on pages 221 - 223 of the audited financial statements.

The City's debt ratios are updated using the 2018 equalized assessed valuation and the 2018 estimated full value of taxable property.

Estimated Full Value of Taxable Property - 2018	\$ 2,369,992,467
Equalized Assessed Valuation - 2018	789,997,489

	Gross Direct Debt	Gross Direct Debt and Overlapping Debt
Per Capita	\$ 857.37	\$ 3,256.08
Percent of Estimated Full Value	0.865%	3.254%
Percent of Equalized Assessed Value	2.596%	9.763%

CITY OF ROLLING MEADOWS, ILLINOIS

Continuing Bond Disclosures - Continued
December 31, 2019 (Unaudited)

Debt Maturity Schedule

The following schedule sets forth the maturity schedule for all general obligation bonded debt of the City:

Fiscal Year	Annual Requirement	Cumulative Retirement	
		Amount	Percent
2020	\$ 1,420,000	\$ 1,080,000	5.35%
2021	1,275,000	2,355,000	11.68%
2022	1,345,000	3,700,000	18.34%
2023	1,410,000	5,110,000	25.33%
2024	725,000	5,835,000	28.93%
2025	755,000	6,590,000	32.67%
2026	780,000	7,370,000	36.54%
2027	810,000	8,180,000	40.56%
2028	845,000	9,025,000	44.74%
2029	875,000	9,900,000	49.08%
2030	915,000	10,815,000	53.62%
2031	950,000	11,765,000	58.33%
2032	985,000	12,750,000	63.21%
2033	1,030,000	13,780,000	68.32%
2034	1,070,000	14,850,000	73.62%
2038	1,115,000	15,965,000	79.15%
2036	1,155,000	17,120,000	84.88%
2037	1,200,000	18,320,000	90.83%
2038	1,250,000	19,570,000	97.03%
2039	600,000	20,170,000	100.00%

Future Debt

There is no updated information to report.

Pension and Retirement Fund Commitments

Updated annual financial information is contained in the audited financial statements of the City on pages 127 through 138.